

LOMBARD

A storm in an oil can

BY SAMUEL BRITTON

OF ALL the issues on which to raise the banner of revolt and show the country that they are not Mr. Callaghan's poodle...

answer to say that the Liberals are in favour of a single rate VAT adequate to raise the £430m. involved in the petrol and vehicle excise adjustment...

My own reaction to the Chancellor's talk of the "realistic economic and social consequences" of failing in energy conservation was...

Energy

My own reaction to the Chancellor's talk of the "realistic economic and social consequences" of failing in energy conservation was...

F.T. CROSSWORD PUZZLE No. 3345

Crossword puzzle grid with numbers 1-30 and clues for Across and Down.

1 Followed notice displayed outside (8) 2 Doing nothing so I'd go to fish (6) 3 Conductor has a bit of liver ailment (4-4) 4 Universal certificate with graded fuels should be handy (6) 5 A fool we hear tips hair-dresser (9) 6 Rotten nuisance hiding boredom (5) 7 Charge is about right? No, it's priceless! (4) 8 Purify former prince and give encouragement (7) 9 The agreement is completely (7) 10 What andlers do with arms left on ship (4) 11 Mother-of-pearl from northern area of land (5) 12 Reorganise position behind kitchen fireplace (9) 13 Ram Count in tartan cloth (8) 14 Little time for deficiency (8) 15 Hard to chew, but about right for animals to feed from (8) 16 To lurch east in dry surroundings requires wit (8) 17 Marry to make ends meet? (5) 18 Counsel a duke on immorality (6) 19 Giants go up with reserves (5) 20 Instalment on T.V. to deep 1 become confused (7)

RACING BY DARE WIGAN

THE DECISION to restrict the Grand National meeting at Aintree to jumpers rather than to pepper the programme with inconsequential flat races...

LIVERPOOL 2.00-What a Slave 2.05-Grass Light 3.05-Fire 3.40-Rathcroth 4.15-King Flame 4.45-Miss Boon 5.00-ASCOT 2.00-King Commander 3.05-Albury Lad 3.15-The White Tower 4.15-Rial

SALEROOM BY ANTONY THORNCROFT

Evelyn's cabinet for £26,000

A CABINET which belonged to the 17th century diarist John Evelyn was sold at Christie's yesterday for £26,000...



Chicago dealer, bought a Serurier for £9,200, and a Johannesburger dealer gave £8,800 for 'L'Entree du Jardin' by Duff.

BORDER

9.30 a.m. Balmuccia, Newcastle. 10.45 East (Norwich) On Camera: Midlands (Birmingham) Life.

LONDON

9.30 a.m. Kimba. 9.55 Primitive Man. 10.15 The Wild Wild West. 11.55 Hammy Hamster's Adventures on the River Bank.

ANGLIA

10.00 a.m. Inner Space. 10.30 Sky-walkers. 10.55 Sky-4-4. 11.00 Drums.

RADIO 1

6.00 Stereo music broadcast. 6.30 Topical News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News.

'Flexible system needed for paying expatriates'

FINANCIAL TIMES REPORTER

THE IMPORTANCE of avoiding a "hotch-potch" system of calculating the pay of employees abroad was the opening theme of the second day of the Financial Times Conference on International Executive Employment in London.

Hardship

Pay levels must acknowledge not only the hardship incurred in working abroad but also living standards in the country concerned and the pay of other expatriates there.

Expenses

Those sent abroad were prepared for their foreign stints by intensive language training, allowing a prior reconnaissance visit to the host country.

Relief claim

Mr. John Chown, chairman of J. F. Chown and Co., pointed out that the employees engaged under a contract of employment with duties performed wholly outside the U.K. would, as a result of the Budget from April 8 be able to claim relief on the home country in the same way as if their employment was normally carried on in the U.K.

TYNE TEES

9.30 a.m. Topical News. 9.45 Mr. Tremble. 9.55 Starting Point. 10.00 Home-Port. 10.10 News. 10.20 News. 10.30 News. 10.40 News. 10.50 News. 11.00 News. 11.10 News. 11.20 News. 11.30 News. 11.40 News. 11.50 News. 12.00 News.

YORKSHIRE

9.30 a.m. Yorkshire. 9.45 Mr. Tremble. 9.55 Starting Point. 10.00 Home-Port. 10.10 News. 10.20 News. 10.30 News. 10.40 News. 10.50 News. 11.00 News. 11.10 News. 11.20 News. 11.30 News. 11.40 News. 11.50 News. 12.00 News.

BANK RETURN

Table with columns for Bank Name, Assets, and Liabilities. Includes entries for Bank of America, Citicorp, etc.



FINANCIAL TIMES INTERNATIONAL EXECUTIVE EMPLOYMENT CONFERENCE

One must, therefore, seek a compromise solution which will be practicable for a company, its shareholders and its expatriate employees and their families.

Distortions

When extraordinary distortions in pay occurred because of a transfer abroad—either to a high cost country or to a low cost country, the basis upon which the employee's ultimate remuneration might be difficult to assess.

Legal aspects

The legal aspect of employment of executives abroad was discussed by Mr. A. Grviz, personnel manager of Charter Consolidated.

Relief claim

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Mason given a reminder

Mr. Roy Mason, Northern Ireland Secretary, has been asked to explain the delay in calling a conference to discuss the ending of segregated education in Northern Ireland.

current travelling expenses of the spouse and children, the benefit was tax-free up to two journeys a year.

Another factor he discussed was the social security implications of the European Economic Community. The emphasis of his remarks was on the circumstances in which employers and employees are required to contribute to social security schemes during overseas employment and the consequent effects on entitlement to social security benefits during that employment and on return to Great Britain.

Legal aspects

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With the scope of compensation and penalties rising all the time, lawyers could do companies a commercial favour.

Social customs

In a light-hearted speech, Lord Shackleton pointed out the problem of identity for the international executive—whether British or foreign.

Relief claim

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SNOW REPORTS

Table with columns for Location and Snow Report. Includes entries for Donagh State, Uthmaniyah, etc.

Mr. Robin Duff has been appointed chairman of the U.K. PORT AUTHORITY succeeding Mr. Alistair McCree, who was on leave for a further two years. Mr. A. Robertson has been a member in place of P. R. B. who has left. Duffington and Mr. R. Glasgow director of J. (Glasgow)

FINANCIAL TIMES SURVEY

BUSINESS TRAVEL

APRIL 18 1977

The Financial Times is preparing to publish a survey on business travel in its edition of April 15 1977. It will examine the way in which the market has developed over the past few years...

INTRODUCTION Business travel is now a sophisticated field involving specialist knowledge and a degree of flexibility not necessarily needed in normal leisure transportation.

SERVICES An examination of the facilities being offered to the business traveller with particular attention to the growth of business package tourism.

AIRLINES The airlines for whom the businessman is a basic source of revenue are aware that the business community is increasingly shopping around. What is being offered to tempt the corporate traveller?

HOTELS How do the hotels compete for business traffic both in the fields of accommodation and conference facilities?

CAR HIRE The businessman is turning increasingly to self-drive cars as a means of transportation. How do the rental companies handle the problem of providing cars where and when they are wanted—and deal with the necessary paperwork quickly?

RAIL SERVICES Many countries have versions of the Inter-City Services of British Rail. How are they working compared with air or road travel and what new ideas do the railways have?

MONEY A look at the credit cards, travel cheques and allied businesses.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication date of Surveys in the Financial Times are subject to change at the discretion of the Editors.

Cinema

- Joseph Andrews (AA) London Pavilion
Jabberwocky (A) Columbia
Stand Up Virgin Soldiers (AA) Warner West End
The Eagle Has Landed (A) Empire
Silver Streak (A) Odeon Leicester Square
Treasure of Marecumbe (U) Odeon St. Martin's Lane

For the Easter holidays, the British cinema has put its single carpet at our disposal. Thanks to the generosity of our exhibitors, we have managed to see this week in London and in 1966 Singapore...

Book Reviews are on Page 14

Whenever David Watkin's humorous photography unites with Richardson's instinctive sense of period... in a river of spring carnival, or a dignified 18th century ballroom...

saddest casualty is Parson Adams, the novel's most enduring creation and perhaps its hero. In a book merciless on the Pharisaism and hypocrisy of the clergy, Adams represents Christianity with a human face...

Book Reviews are on Page 14

Whenever David Watkin's humorous photography unites with Richardson's instinctive sense of period... in a river of spring carnival, or a dignified 18th century ballroom...



Ann-Margret and Peter Fricch in 'Joseph Andrews'

dialogue, but lacking either the staccato rhythm of the comic moment or the subtlety of the dramatic one. The film's few conclusions are mostly to be found in the supporting cast...

to a more abrasive, realistic approach. The film looks like nothing more than a hand of far-fetched and dull at the same time. Far-fetched in its comic taking and dull in its stilted recreation of English village life...

History also has already told us the answer. The film manages to be both far-fetched and dull at the same time. Far-fetched in its comic taking and dull in its stilted recreation of English village life...

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Yale University

Debussy's 'Usher'

by ANDREW PORTER

Some stir was created by the billing of the world premiere of Debussy's one-act opera The Fall of the House of Usher...

In 1962, the Debussy centenary year, Edward Lockspeiser published the first 200 bars or so of The Fall of the House of Usher in reduced negative facsimile (white on black) and the whole libretto. The music was hard to read; the notes were sometimes in doubt...

For the "world premiere" the partition (which is in the Bibliothèque Nationale) had been newly transcribed by Carolyn Abbate, a Yale student and orchestrated by Robert Kyr, a former Yale student, in a skillful Debussyian manner. Other sketches for Usher, and annotations in Debussy's copy of the Poe story, provided them with some extra hints...

(But if the house is to be given a more than symbolic location, it must surely be in some remote region of Britain.) For the final catastrophe, music was made from a seven-bar fragment that Debussy inscribed "pour la fin de la maison usher", adding a large question mark.

A large question mark must also hang over any attempt to reconstruct even as much of Usher as survives. The vocal style is the recitative style of Pelléas made more abrupt, more concise. What Debussy strove for were new harmonies and new instrumental sounds to convey an atmosphere of terror...

John Cimino and John Ostendorf



John Cimino and John Ostendorf

ginning suggested themselves. First, he wanted to do something quite different from Pelléas... but how could he, choosing once again a castle setting where the air seems stifling, where the action passes into sombre vaults...

Miss Abbate and Mr. Kyr seemed to show what Debussy might have had in mind. The Yale producer, Graf Mouen, had other ideas, and scrapped the composer's stage directions...

New Theatre, Cardiff

I masnadieri

by RONALD CRICHTON

With their new production on the Welsh stage, the Cardiff National Opera return to Verdi, their house composer as much as anyone. This was his only opera...

The Welsh staging, in a new English translation by the composer Stephen Oliver, directed by Julian Hope in bare, murky but often effective settings by Hayden Griffin, strongly con- ducted by Richard Armstrong...

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The Welsh staging, in a new English translation by the composer Stephen Oliver, directed by Julian Hope in bare, murky but often effective settings by Hayden Griffin, strongly con- ducted by Richard Armstrong...

period of indistinct words appears to be over. Pastor Moser, short but important second bass, was soundly taken by a young beanpole called Geoffrey Moses. His scene with Franz, though hardly produced, nevertheless kindled from the singing...

There were moments during the evening when soloists and chorus temporarily lost the beat. Does the Friedrich-style, raised false stage make the conductor harder to see? In the pit, the Welsh Philharmonia of course had no such difficulty, responding to Mr. Armstrong's invigorating baton with clean attack and over the top, important, the true Verdiian full-throatedness...

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Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from 10-day Friday, April 1, 1977, their Base Rate for lending will be reduced from 10 1/2 per cent. to 9 1/2 per cent. per annum.

Interest payable under the Bank's Demand Deposit Schemes on sums of £500 up to £100,000 will be at the rate of 6 1/2 per cent. per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited 100 Wood Street London EC2P 2AJ Telephone: 01-628 8011

CINEMAS - Cont.

- ODEON LEICESTER SQUARE (30 6111)
ODEON NEWCASTLE (21 2011)
ODEON NEWCASTLE (21 2011)
ODEON NEWCASTLE (21 2011)

CLUBS

- THE GREAT BRITISH STRIP
THE GREAT BRITISH STRIP
THE GREAT BRITISH STRIP

ART GALLERIES

- GILBERT PARS GALLERY, 28, Kings Road, Chelsea, London SW3
CHANDRA NEW WATERLOURS, JOHN BIRCH, Paintings, Prints, Unit 4, 11, Queens Terrace, SW 3
ANDRE DERAIN, Watercolours, Victor Emmanuel II, 10, Whitehall, London W1

CONCERTS

- SHAW TEL. MW1, Tonight 7.30
CONCERT, Star Track, Quartet, 9.15
DIVERSITY, Star Track, Quartet, 9.15

KITCHEN FURNITURE MANUFACTURING COMPANY REQUIRED

U.K. company wishes to purchase whole or part interest in German kitchen furniture manufacturing company, preferably supplying fitted kitchens in the medium price range.

Arts news in brief

An exhibition dealing in October 11, from 11 a.m. to 5 p.m. on weekdays 1 p.m. to 5 p.m. on Sundays, closed on "from quill-pen to computer" Good Friday and all Mondays has opened at Hatfield House, except Bank Holidays.

The Royal Philharmonic Orchestra

The Royal Philharmonic Orchestra, with Brian Wright conducting, will perform Verdi's Requiem on Sunday, April 3, at 7.30 p.m. in the first of two major published in 1861 by Robert Silver Jubilee concerts being held in the Albert Hall, London, in which the word "not" held in Alexander Palazzi's Great Commandment.

EUROPEAN NEWS

Bonn commodity earnings plan gains ground in EEC

BY NICHOLAS COLCHESTER

BONN, March 31

THE WEST German Government has a base level of earnings from this list established by the agency and would then become eligible for compensating credit...

Spain clash on legality of parties deepens

By Roger Matthews

MADRID, March 31

THE CONSTITUTIONAL clash between the Spanish government and judiciary over the legislation of the Communist Party deepened further today...

Demirel may face fraud probe

BY DOMINICK J. COYLE

A Parliamentary committee ruled in Ankara yesterday that an investigation be opened into Turkish Prime Minister Suleyman Demirel on charges of attempting to cover up the alleged embezzlement of the Turkish Treasury...

Italy believes IMF will back economic package

BY DOMINICK J. COYLE

ROME, March 31

WHILE THERE has been no formal confirmation from Washington, the Italian Government now assumes that the economic programme agreed last night with the country's major trade union confederations is substantial enough to release the long-delayed \$300m loan from the International Monetary Fund (IMF)...

Luxembourg N-plant delay

LUXEMBOURG, March 31

THE WEST GERMAN court ruling that additional protection was needed for the Wyhl nuclear reactor will delay even further the only Luxembourg nuclear power plant...

Greek-Cypriot offer

Greek-Cypriot negotiators yesterday offered the Turkish community in Cyprus a separate region in a federal state...

Dutch forecast

The Dutch Central Planning Bureau estimates that unemployment will remain steady at 2.1 million this year against 2.6 million in 1976...

W. Germany to build airliners

BY ADRIAN DICKS

BONN, March 31

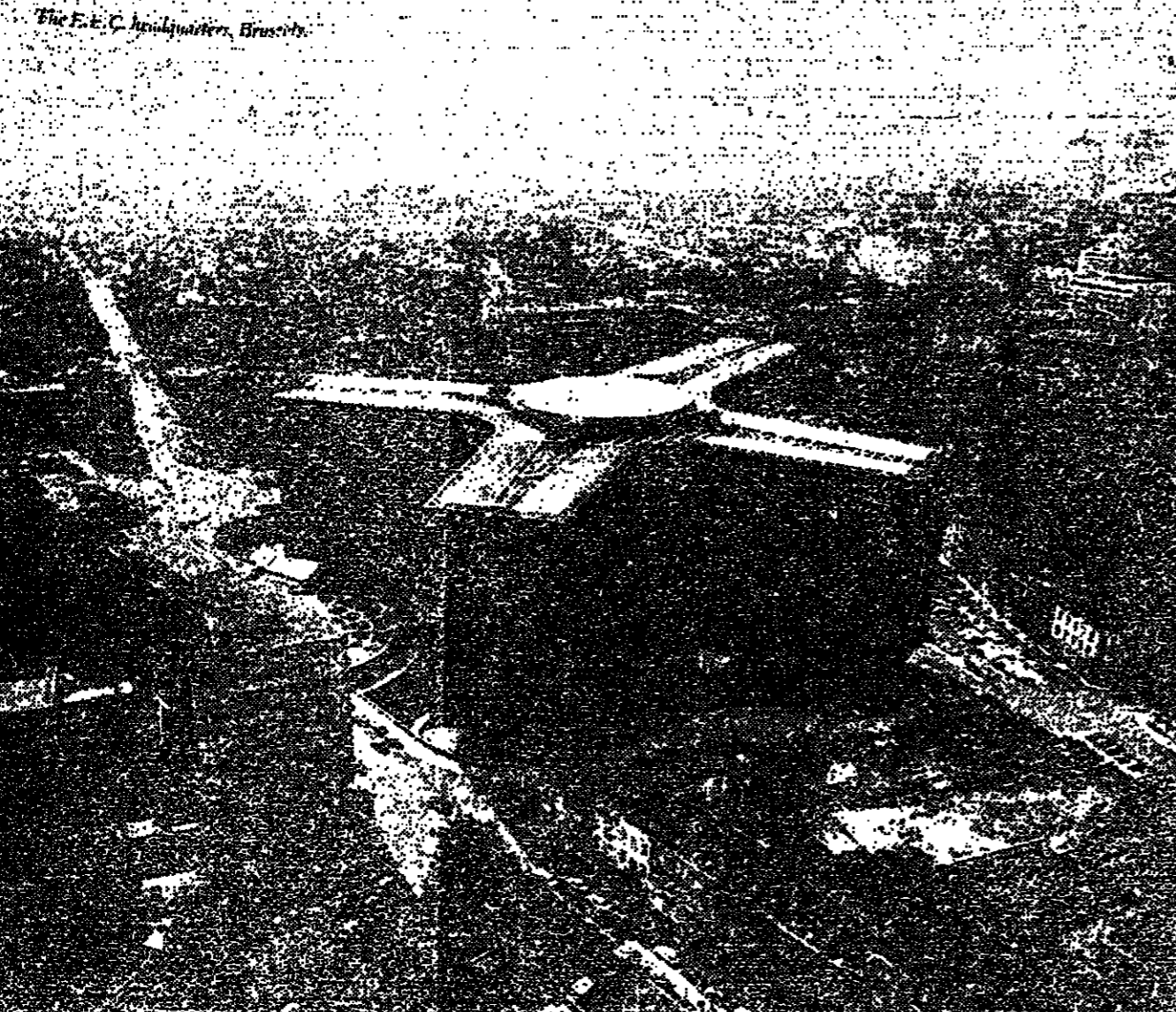
THE WEST German Government has agreed to "ensure the continuity" of the country's two main civil aviation projects by authorising the release of federal funds for construction of the Airbus A-300...

Little style in Barre's 'non-political' team

BY DAVID CURRY

PARIS, March 31

A GOVERNMENT picked for no other reason than the ability of its members to do their job, said President Giscard d'Estaing, announcing to the country his decision to commission Raymond Barre to put together a second Government from which party politicians would be excluded...



We can give you some hot market tips. The Common Market is in our backyard. Our headquarters is in Brussels, 200 metres from headquarters of the Common Market...

Aetna Life and Casualty Company. Zurich · Basel · Geneva. Credit Suisse, Union Bank of Switzerland, Societe de Banque Suisse. Conning and Company, Hartford, Conn, USA. Fox-Pitt, Kelton Inc, London.

Handwritten Arabic text at the bottom of the page.

مركز امان للصحف

PRIVATE INDUSTRY IN PORTUGAL

Warning on low level of investment

BY OUR OWN CORRESPONDENT

THE LEVEL of investment in Portugal's private industrial sector... The state of private industry remains very grave.

Such such that there is no chance of reversing retrogressive, discouraging trends in the business world.

Among the causes of the gloomy climate in the private sector, the report based on a survey taken in late 1976 among Confederation members...

The Government is attempting to cut down consumption by placing heavy surcharges on imported luxuries and non-essentials...

No place for exiles

BY DIANA SMITH IN LISBON

IN THE VALLEY of the Jamine, only a few miles from the centre of Lisbon, stands a drab refugee camp.

There are 500,000 refugees registered - and an unknown number still to be tracked down.

The activities of a minority of refugees - particularly of their off-springs - have become a source of concern to the authorities.

with no qualifications, traumatised by hasty departures from their former homes and nearly two years of homelessness...

Last year it cost the Portuguese Government £100m. to house the returning settlers in hotels, pensions, camps, tourist villages, holiday flats and other accommodation.

An enterprising minority has availed itself of the Government's special 275m credit scheme to encourage former settlers to set themselves up in business.

Generally, however, returned refugees are having trouble integrating into Portuguese society despite the Government's benevolent efforts to attract them.

Army charges Carvalho with unethical conduct

LISBON, March 31.

MAJOR OTELO Saraiva de Eanes in last year's presidential election, is one of 32 left-wing officers who have appeared before the army's Higher Disciplinary Council.

Britannic Assurance

COMPANY LIMITED

PREMIUM INCOME EXCEEDS £50 MILLION A YEAR £16,640,000 ALLOCATED FOR POLICYHOLDERS' BONUSES

Extracts from the statement issued by the chairman, Mr. John F. Jefferson with the one hundred and eleventh annual report and accounts for the year ended 31st December, 1976.

Last year our premium income passed the £50 million a year milestone, the life branches premium having increased by 10.80 per cent to £46.2 million and the general branch by 24.99 per cent to £1.1 million.

LIFE BUSINESS

In the industrial branch we were again able to record a satisfactory level of progress, resulting in an increase in the premium income of £3.5 million to a total of over £34.5 million.

In the ordinary branch there was an improved rate of expansion with a premium income increase of £958,000 to a total of over £11.6 million.

The combined funds advanced by a further £2.4 million in the year to a total of over £318 million.

INVESTMENTS

During 1976 £37.8 million was available for investment by our life funds. £14.0 million was invested in British Government securities.

The other, the new pretender to the Portuguese throne, Dom Duarte Pio, a more active claimant than his reclusive father who died in December 1976, has attracted the support of disappointed returnees.

In all areas, the embittered refugees are a problem.

POLICYHOLDERS' BONUSES

The significant improvement in the rate of interest on our funds coupled with a transfer from the investment profits reserve at last year's level has resulted in a further satisfactory increase in the surplus

disclosed by the annual valuation £16,640,000 has been allocated from the life branches for policyholders' bonuses.

The increased allocation to our ordinary branch policyholders enabled us to make a further improvement in the reversionary bonus on with-profit life policies to £4.20 per £100 sum assured compared with £4.00 last year.

With-profit retirement annuity and pension contracts also received an improved bonus of £1.50 per £100 annuity compared with £1.25 previously, together with an increase in the terminal bonus to 30 per cent of the annuity and accrued bonuses payable from the chosen retirement age.

The allocation in the industrial branch which has now exceeded £10 million for the first time, has enabled the reversionary bonus of £2.50 per £100 sum assured to be maintained.

GENERAL BRANCH

There was a substantial increase of over £1 million to £7,101,000 in the premium income of the general branch. This has helped us in our efforts to control the expense ratio in this branch, which this year shows a modest reduction.

In motor business a more satisfactory performance was achieved which fully justified the premium increases put into effect in October 1975.

The operating profit of the general branch after taking into account increased net interest earnings was £176,392 compared with £162,615 in 1975.

PROFIT AND LOSS ACCOUNTS

Transfers from the long-term business revenue accounts were £1,364,000 compared with £1,242,000 in 1975. We are only able to draw £100,000 from our general business revenue account.

STAFF

In sending our thanks to every one of our staff of over 2,000 for their part in producing the results before you we hope that 1977 will see the beginning of a more settled economic climate and less time-consuming, unproductive and often irrelevant legislation so that we may all settle down to our job of giving good service to our policyholders and maintaining the healthy progress of the last one hundred and eleven years.

By studying the needs of others we've become the world's biggest overland container haulier

- 'We need complete reliability - plus big capacity - for our interplant movement of parts and equipment. Freightliner's size and resources give us reassurance.' Chrysler United Kingdom Ltd.

The big names like us for our speed - Freightliner container trains speed goods to distant distribution areas at up to 75 mph - giving unbeatable transit times.

They like us for our discipline and reliability - container space is reserved in advance on the trains which shuttle between Freightliner terminals to a regular daily timetable.

They like us because of our size - a nationwide service with nationwide resources to call upon, including extra services like repair, cleaning and storage.

They like us for our environmental advantages - with the major part of any movement by rail, towns and villages are saved from noise and pollution.

And small companies like us too - because we can help them to become big.

Freightliner - the best of Road and Rail put together. Freightliners Limited, 43 Cardington Street, London NW1 2LR.

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BANQUE EUROPEENNE DE CREDIT BEC EUROPEAN CREDIT BANK Short-medium and long-term credits at fixed or variable rates in convertible currencies for national and international industrial and commercial investments

NESDA HAVE MOVED NESDA NESDA NESDA NESDA The Industrial Information Centre for the Grampian Region of Scotland

NEWS

Carter still confident of progress in SALT talks

WASHINGTON, March 31. PRESIDENT Carter was publicly confident last night that progress is still very possible in the arms control negotiations with the Soviet Union, despite yesterday's rejection of both the main American proposals in Moscow.

OVERSEAS NEWS

Japanese mission for U.S. talks on N-fuel

TOKYO, March 31. HIGH JAPANESE officials will fly to Washington on Saturday for talks on the Carter Administration's view of nuclear fuel reprocessing facilities, a Foreign Ministry spokesman announced today.

Fukuda envoy for Moscow fish limits talks

TOKYO, March 31. Japanese Foreign Ministry sources say there are at least three key issues to resolve before specific catch quotas in Soviet waters can be agreed. The three include: 1. The Northern Islands. The Soviet Union is reportedly asking Japan to recognize the 200-mile economic zone around the Kurile Islands, where Japan last year caught 350,000 tons of fish.

Loopholes 'abet Arab boycott'

WASHINGTON, March 31. SEN. WILLIAM PROXMIER, chairman of the Senate Banking Committee, last night said members of the committee, and by implication the Carter Administration, are seriously weakening proposed new anti-boycott legislation.

Groaning, but not facing ruin

BY DOUGLAS RAMSAY, RECENTLY IN KUSHIRO, HOKKAIDO. Russia's 200-mile waters around Kamchatka, and perhaps another 2,500 fish within 200 miles of the four islands north-east of Hokkaido occupied by Russia since the war, Kunashiro, Etorofu, Shikotan and Habomai are still disputed, and Messrs Suzuki and Ishkov will have to find some way to skirt the dispute, despite Russia's declaring a 200-mile zone around the islands, and Japan's pending declaration of 12-mile territorial waters around them.

Argentina might buy Soviet weapons

THE Argentine military junta is considering buying Soviet arms in the wake of its recent report to the U.S., according to reports circulating in Buenos Aires and quoted by Inter Press Service, the Argentine news agency. Oscar Galindo was absent from the political discussions held by senior officers of the army in Buenos Aires last month because, according to military and diplomatic reports, they were visiting the USSR and Eastern Europe.

ON BUDGET EVE Canadian \$ fall continues

TORONTO, March 31. DOWNWARD PRESSURE on the Canadian dollar has been building up during the past few days because of nervousness over what measures the federal budget, to be delivered by Finance Minister Donald Macdonald to-night, may contain.

Banabans wooed by Gilberts

AN IMPORTANT diplomatic initiative is being staged by the Gilbert Islands as the British Government works out a settlement package to offer to the Banabans—the South Pacific islanders whose original home, Ocean Island, has been largely destroyed by phosphate mining.

Malaysian economic growth Rubber leads record year

KUALA LUMPUR, March 31. AN UPSURGE in rubber exports following the recovery in international markets last year led to a strong export growth which boosted Malaysia's trade surplus to a record figure of 5,711m, Bank Negara said today.

Mexico postpones steel plan

MEXICO CITY, March 31. MEXICO'S economic crisis has forced the Government to postpone a \$3bn expansion programme for the plant of the state steel complex, Siercisa, at Las Truchas.

Australians awarded pay rise of A\$5.7

CANBERRA, March 31. THE AUSTRALIAN work force of more than 6m people was awarded a wage rise of A\$5.70 (3.8) a week to-day by the Conciliation and Arbitration Commission. The rise represents less than half of what the trade unions had claimed for cost-of-living increases in the December quarter of last year.

U.K. might refuse Amin entry

THE GOVERNMENT has made clear that it reserves the right to refuse President Amin of Uganda permission to enter Britain, and has not yet decided whether to allow him into the country if he tries to attend the Commonwealth Conference in London in June.

Palme to visit Africa

MR. OLAF PALME, the former Swedish Prime Minister, will lead a mission of members of the Socialist International to southern Africa early in June. It is not yet known which countries he will visit or who will be the other members of the team.

Israeli courts martial ban on lawyer linked to PLO

JERUSALEM, March 31. Although Mr. Peled and Ms. Langer represent minority views in Israel, they are the first group of people to recognise the need to establish a dialogue with the PLO. In contrast to the hostile

China energy
Plant... but tall...
Soviet trade...
Optimism...
Omani pow...

China 'willing to sign' energy deal with Japan

By Charles Smith TOKYO, March 31

China is now willing to negotiate a long-term energy deal with Japan, Japanese officials said today. The deal would involve a high ratio of exports of oil to Japan in exchange for Japanese machinery and other goods.

The Japanese government has been pressing for stronger action against cheap steel imports during the international recession in steel sales, last night welcomed the Government Secretary, said last night that a provisional anti-dumping duty of 21.50 a tonne would be imposed on Spanish non-alloy light steel sections.

The Government has been looking into allegations of Spanish dumping in those products and has tried to solve the problem by discussions with the Spanish Government. The talks are continuing but in view of the high level of imports from Spain last month, the Department of Trade feels there is no alternative to a special duty.

Mr. Selwyn Williams, of BISPA, said his member steelmakers were confident that the Government, in conjunction with the European Community, was making a considerable effort to assist the sectors of British steel-making which were suffering most from imports. Companies in special steels and re-rolled products were being particularly hard-hit.

The steels subject to the new anti-dumping duty have been selling in Britain at about £145 a tonne, compared with home prices of about £190 a tonne.

British steelmakers are continuing to urge the Government to act against other cheap steel imports, in particular from South Africa and Japan. The Government is investigating allegations concerning both countries.

The British Steel Corporation yesterday made a move to increase its share of the British stockholding market in flat rolled products.

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The companies will become part of the British Steel Service Centres operation, operating under the subsidiary Lye Spencer Steel Services. Bennie Steel Sheet has a turnover of £2m a year and employs 50 people.

Oil boost for India

By K. K. Sharma NEW DELHI, March 31

INDIA has been getting crude supplies from Iran, Iraq and some other Middle East countries at prices that are lower by 40 to 50 per cent than the posted prices since 1974.

Lower payments are restricted to crude imports arranged on the basis of Government of Government agreements which come to roughly 7m tonnes annually. The lower prices have been made possible through soft loans given by the oil exporting countries and are one of the reasons for the remarkable increase in India's foreign exchange reserves at a time of high world oil prices.

Foreign exchange reserves were today, the end of the financial year, at the record level of 27.5bn rupees (3.2bn).

During 1977 Iran will supply 3.5m tonnes on deferred payment terms but details are not available. However in fiscal 1974 and 1975 Iran gave loan assistance of \$280m for crude imports by the Government owned Indian Oil Corporation and Madras Refineries in which the National Iranian Oil Company has a share.

Iraq has given \$170m as loans which helped part of the crude imports from that country from 1974 to 1976. The United Arab Emirates gave a loan of \$50m for oil imports in fiscal 1976.

The Indian Government has made arrangements for imports of 14m tonnes of crude in 1977 of which more than half is on the basis of Government to Government agreements with Iran and other Middle East countries.

Dell pleases U.K. steelmakers

BY ROY HODSON

THE BRITISH private sector steelmakers feel they have won a significant victory in their campaign against imports of cheap foreign steel with the imposition today of an anti-dumping duty on some Spanish steels.

Mr. Edmund Dell, the Trade Secretary, said last night that a provisional anti-dumping duty of 21.50 a tonne would be imposed on Spanish non-alloy light steel sections.

The Government has been looking into allegations of Spanish dumping in those products and has tried to solve the problem by discussions with the Spanish Government. The talks are continuing but in view of the high level of imports from Spain last month, the Department of Trade feels there is no alternative to a special duty.

Mr. Selwyn Williams, of BISPA, said his member steelmakers were confident that the Government, in conjunction with the European Community, was making a considerable effort to assist the sectors of British steel-making which were suffering most from imports. Companies in special steels and re-rolled products were being particularly hard-hit.

The steels subject to the new anti-dumping duty have been selling in Britain at about £145 a tonne, compared with home prices of about £190 a tonne.

British steelmakers are continuing to urge the Government to act against other cheap steel imports, in particular from South Africa and Japan. The Government is investigating allegations concerning both countries.

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Muldoon warns on protection

By David Habakkuk

UNLESS AN expansion in the economies of countries with payments surpluses (notably the U.S., West Germany and Japan) were to make possible export-led growth, New Zealand would come under increasing pressure to resort to protectionist trade policies, Mr. Robert Muldoon, the New Zealand Premier, warned yesterday.

Speaking in London at a lunch given by the Foreign Press Association, Mr. Muldoon said that, since oil prices began rising three years ago, New Zealand's import prices had doubled, while returns on exports had risen only 20 per cent. Terms of trade had thus fallen 45 per cent, to the worst level since the depression of the 1930s, imposing a massive further adjustment on the country's economy, on top of the effects of Britain joining the EEC.

On meat and dairy exports, Mr. Muldoon stressed that New Zealand's capacity to cope with a diminution of its market was already stretched to the limit.

Dai Hayward adds from Wellington: The New Zealand Government's decision to hold import licences at the same monetary value as last year—which, with overseas inflation, means a 10 per cent cutback in their real value—will hit British imports to this country.

Plant exports rise 50% but fall short of target

BY OUR FIRST EDITOR TOKYO, March 31

JAPAN'S PLANT exports during fiscal year 1977 (which ends today) are thought to have reached \$1.2bn, a 50 per cent increase on 1976, but still well below the \$1.8bn target set by the Ministry of International Trade and Industry.

This is only a third of the \$3.6bn target set for 1978.

Mr. Tomoo Komoto, Minister of International Trade and Industry, said today that the 1977 target was unrealistic. A more realistic target would be between \$1.0bn and \$1.2bn, officials seem to feel.

The \$3.6bn target for 1978 means that plant exports must reach \$1.8bn, or 50 per cent of total exports, to meet the target.

However, exports in calendar 1976 were worth \$8.9bn, and steel \$10.5bn. The figures in both cases are compared with the 1975 figures of \$7.7bn and \$10.5bn.

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Your family business - we can help keep it that way

If your time increasingly is spent in the day-to-day running of your business, you may be neglecting one of its most important aspects—the future.

Capital Transfer Tax, pensions and insurance

Making sure that a family business stays in the family is more than a matter of building up assets. Capital Transfer Tax, income and Corporation taxes have to be contended with. There's the problem of providing adequate funds for your pension, for your family on your death, and to cope with CTT payments. It's also important to review your commercial and industrial insurance policies regularly to make sure that they're keeping pace with your company's growth.

Let Lloyds Bank help

If you go it alone, you'll find it costs you time and money. A call to the manager of your local branch of Lloyds will put you in touch with specialists in one of our Trust Division branches, located throughout the country, who can help you:

- improve your tax savings
- take full advantage of CTT exemptions
- re-appraise insurances
- make sound provision for retirement

How much does it cost?

We can't tell you until we've met. Our initial advice is free and our help could cost you nothing. If you ask us to prepare a detailed plan, we may ask for a reasonable fee depending on the circumstances.

But if you want to keep your family business in the family it's worth taking the trouble to call in and see us.



Lloyds Bank

Soviet trade deficit cut

MOSCOW, March 31

THE SOVIET Union improved its trade position with the rest of the world last year, but still second half of 1976. But at the same time, massive grain purchases from the West, particularly the U.S. and Canada, currency crises, according to following the disastrous harvest official figures released today in 1976, continued to boost the deficit with the western imports, the experts said.

According to figures issued in 1976, the Soviet Union's trade deficit with the western countries of 2.82bn roubles was less than the Foreign Trade Monthly, the 2.82bn roubles (2.23bn) of USSR's overall trading deficit in 1976.

Western experts attributed this 2.82bn roubles (22bn) in 1976 improvement in Soviet trade to 340m roubles (253m) cost reduction, especially affecting year Reuter.

Optimism on multifibre

BY KEVIN DOME, INDUSTRIAL STAFF

MR. ALAN CROUCH, retiring president of the British Textile Confederation, yesterday expressed hopes that the U.S. textile industry would soon come round to the EEC view on the need for a free negotiation of the Multi-Fibre Arrangement.

Japanese are broadly following GATT talks in Geneva on the same line.

The British Textile Confederation, where Dr. Brian Smith, chairman of ICI Fibres yesterday said that the essential arrangements took over as president, is optimistic beyond the end of the fiscal year that pressure from both sides will move its stance to provide support for European demands.

The textile industry in Europe has been pressing the EEC to be more flexible than both sides secure arrangements enabling the U.S. industry had come MFA signatories to take action against cumulative disruption.

Problems had been created by resulting from a build-up of the installation of a new administrative structure in the U.S., but he was suppliers.

Omani power order

BY BARBARA CASASSIS MUSCAT, March 31

A CONTRACT valued at Omani Rials 45m (about \$27m) to Bangkok next week for 200 operate and maintain 26 new Japanese Hino and 400 German tricity generating stations in Mercedes-Benz buses.

Oman has been won by Global Chemical Systems of California.

The Omani Government, supported by Shell, will account for an estimated 15m worth of specialty chemicals in an offshore Abu Dhabi oil complex, has been awarded to the 10-year agreement will initially cover only 10 of the 100 new installations at a cost of about Rials 10m, including some Rials 5m for fuel.

Chemicals for ME

Jacket curbs

Following a sharp increase in 1978, imports of men's and boys' jackets, blazers and the like from France will be restricted to 400,000 pieces and women's, girls' and infants' blouses and short-sleeved blouses to 1m pieces in 1977, the Department of Trade said yesterday.

That bus deal

That bus deal

HOME NEWS

Beer probe becomes pub profit inquiry

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MR. ROY HATTERSLEY, the Prices Secretary, has extended his controversial reference of beer prices to the Price Commission to cover profits on the whole range of products sold in pubs and other licensed premises.

Direct labour win for builders

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE CONSTRUCTION industry's long campaign to prevent the spread of local authority direct labour organisations ended yesterday with a quiet victory.

Number of dockers halved in ten years

BY ROY ROGERS

THE MARCH of containerisation and other trends have halved the number of registered dock workers over the past decade.

British Airways starts Belfast shuttle

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS starts its no-reservations shuttle service between Heathrow and Belfast today.

Judgment reserved on TV mast liability

AFTER a 59-day hearing, Mr. Justice O'Connor reserved judgment on the High Court yesterday on an action arising out of the collapse in March, 1969, of a 1,250-foot television aerial mast on Emley Moor, near Wakefield, Yorkshire.

mission criticised the licensed trade for over-charging for soft drinks sold on their own in order to discourage customers from buying them.

The terms of reference on the soft drink inquiry did not ask it to do this. Even so, the commission concluded that it would be possible in most cases for its recommendations to be implemented without any undue effects on profits, as mixers and soft drinks together accounted for only a small proportion of total sales.

More men to be laid off at Clydebank

By Ray Perman, Scottish Correspondent

THE LATEST casualty of the shortage of orders for the North Sea oil industry is JBE, a subsidiary of John Brown Engineering at Clydebank, which has given three months' notice of redundancy to 500 of its 850-strong work force.

Michael Donne, Aerospace Correspondent, writes: Hawker Siddeley Aviation has given the unions warning of impending redundancy for workers on the Trident airliner production line at its Hatfield, Hertfordshire, factory.

NEWS ANALYSIS - HERBERT MORRIS

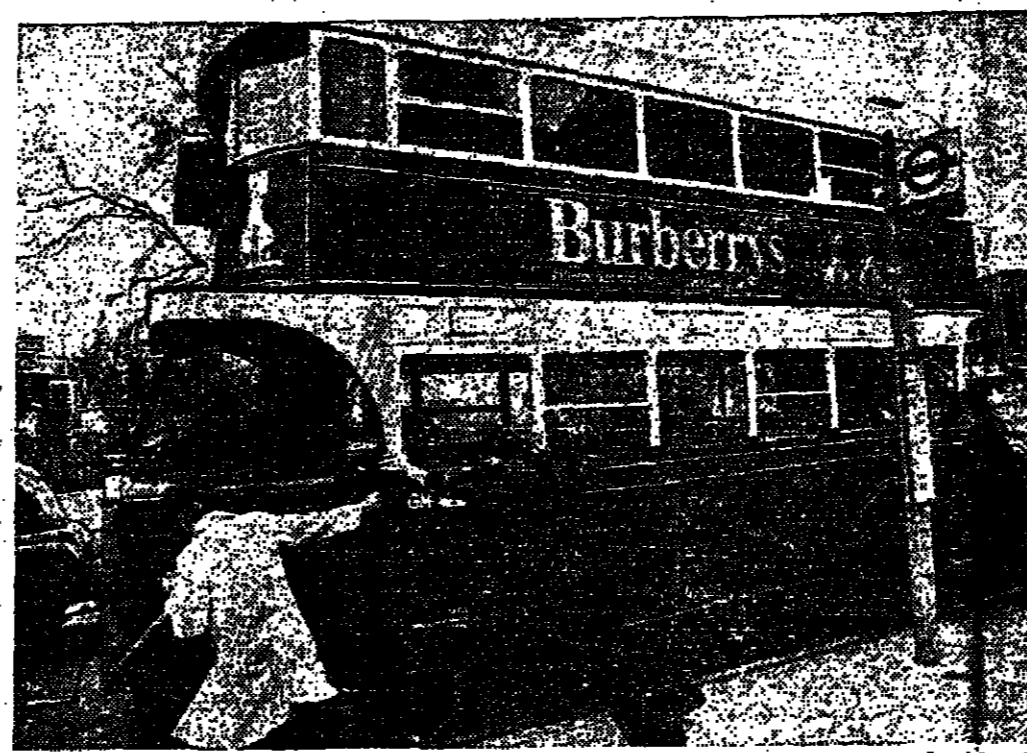
A friend in need

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BID by Hawker Siddeley for crane maker Herbert Morris looks as if the old pair has decided to rescue a chum from a bit of a hole.

For one thing, the two companies are next-door neighbours at Loughborough in Leicestershire. Between Morris and Hawker's electrical engineering offshoot the Brush Group about 25 per cent of the local labour force is employed.

In these circumstances a friendly hand proffered by a neighbour would seem most welcome.



London's latest bus route—linking the West End with the Tower of London—got off to a sticky start yesterday. The bus, an open staircase vehicle dating from the 1930s, developed starter motor trouble, and got under way only with a push from London Transport staff and a yeoman warder.

Use of new cigarette material accepted

BY STUART ALEXANDER

THE RACE to put cigarettes containing substitute materials and concentration of the cellulose produce, Imperial also intends to produce an advisory leaflet.

There will also be talks on advertising claims with the Advertising Standards Authority. Information will be carried both in and on the pack to advise consumers.

Brokers expect little growth, more jobless

BY MICHAEL BLANDEN

TREASURY FORECASTS of economic growth this year may be too optimistic, argue stock-brokers W. Greenwell in their assessment of the Budget. They say:

The disagreement this year between us and the Treasury is not so much about what is happening to the economy but about why it is happening.

New Year holiday criticised

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT has decided that Monday, January 2 next year should be a public holiday—the New Year Bank Holiday—because New Year's Day falls on a Sunday.

Agency aids expansion of radar group

By Our Glasgow Correspondent

THE SCOTTISH Development Agency is to invest \$25,000 in a joint venture with Microwave and Electronics Systems, of Edinburgh, to buy a factory in Lintlithgow and manufacture radar systems.

Mulley answers for Millbank

Financial Times Reporter

MR. FRED MULLEY, the Defence Secretary, is taking over direct responsibility from today for the defence export activities which make up much of the greatest part of the business of Millbank Technical Services, a Crown Agents subsidiary.

Shiprepairers' first order

By Our Glasgow Correspondent

CLYDE Dock Engineering Ltd., the new shiprepairing company being set up on the Upper Clyde, has announced its first contract with £70,000 for work on three U.K. registered vessels.

Chemical industry output 10% up

BY KEVIN DONE, INDUSTRIAL STAFF

CHEMICAL INDUSTRY production rose by some 10 per cent last year compared with 1975. In the final three months alone, output exceeded the previous record level achieved in the July-September, 1974.

Exchange members accept Talisman

BY MICHAEL LAFFERTY

THE STOCK Exchange's Talisman computerised settlement system received overwhelming approval in yesterday's poll, with 73 per cent of members voting in favour of the scheme.

Goodison blames governments

BY KEVIN DONE, INDUSTRIAL STAFF

THE SUPPLY of finance for industry is the problem, Mr. Nicholas Goodison, chairman of the Stock Exchange, said in London yesterday. The low level of investment had arisen because of a lack of confidence in industry.

NEDO-Parliament formal link urged

BY ROY HODSON

THE TIME has arrived for a strong and formal link between Parliament and the National Economic Development Office, according to Sir Ronald Melintosh, the director general of NEDO.

Structural

A continuous involvement by Government in industrial policy planning was needed in Britain. It might be tempting to look for a situation in which Government devoted its whole attention to creating the right economic environment without direct involvement in industry's affairs. But he did not believe such a system was realistic in the current situation.

IN BRIEF

Car shipments: Japan's car exports helped Hitachi's number of passenger cars carried by the world's shipping lines from 2.5m units in 1970 to about 4.5m last year, according to a study by H. P. Drewry (Shipping Consultants).

Cold water to coal... Pre-tax 3770... Report on testing of... Crown Agents... BAN BAI

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HOME NEWS

Cold weather gives boost to coal production

BY RAY DAFTER, ENERGY CORRESPONDENT

THE COAL industry has been stimulated by a sharp rise in energy consumption, according to the latest fuel statistics.

Cold weather in the three months to the end of January increased inland energy consumption, on a primary fuel input basis, by more than 7 per cent, compared with the corresponding period a year earlier.

Coal consumption rose nearly 8 per cent—a bigger increase than for competing fuels. Natural gas sales increased nearly 8 per cent. Oil consumption rose nearly 5 per cent.

The Department of Energy's latest Energy Trends out yesterday, show coal consumption between December and February inclusive was 37m. tons, about 7.7 per cent more than a year before. Most of this increase arose from the 2m. tons of extra coal burned in power stations.

Disposal of coal to industry in this period was about 12 per cent higher. Coke consumption rose more than 8 per cent. Demand for house coal rose 7 per cent, partly influenced by temperatures which were substantially lower than last year.

But deep-mined coal output in the December-February period was 37 per cent, lower than a year before at 22.4m. tons. Consequently stocks continued to fall in all sectors except coke ovens.

Productivity measured in terms of output per man-shift improved in February to 45.2 cwt, the highest for nine months.

The Energy Trends also show that industry fuel bills in the final three months of last year, increased 8.5 per cent, more than a year ago.

THE COST OF INDUSTRY'S FUEL
(Delivered to large industrial consumers)

	Coal	Heavy Fuel Oil £ per ton	Gas Oil £ per ton	Gas Pence per therm	Electricity Pence per kWh
1975 1st qtr.	13.3	38.8	55.0	3.65	1.179
2nd qtr.	15.1	38.2	54.2	4.15	1.178
3rd qtr.	14.9	37.5	50.7	4.43	1.249
4th qtr.	15.6	38.7	53.9	4.84	1.354
1976 1st qtr.	17.4	42.1	64.0	5.73	1.453
2nd qtr.	17.8	41.5	62.0	5.72	1.447
3rd qtr.	18.0	43.1	61.7	6.74	1.461
4th qtr.	19.4	47.9	68.2	7.58	1.592

* Provisional.

Refinery receipts of crude oil were also up, at nearly 28m. tonnes—12.3 per cent more than last year. North Sea crude accounted for a fifth of this. Output of refined products increased 7.8 per cent.

Nearly 4 per cent less was sent out in February compared with the monthly level of last year, although consumption was up more than 7 per cent in the December-February period.

In terms of weekly averages, total fuel used at power stations and the amount of electricity supplied in January were at record levels. The maximum demand met at any one time during the month reached 49,100 megawatts—the highest demand yet placed on the public supply system.

In the months November-January electricity supplied was



Mr. Cyrus Vance, U.S. Secretary of State (centre), at No. 10 Downing Street last night during talks with Mr. James Callaghan, the Prime Minister, and Dr. David Owen, the Foreign Secretary (left).

£2m. offer towards Mentmore rescue

BY ANTHONY THORNCROFT

YET ANOTHER effort is under way to preserve in tact Mentmore Towers, the Buckinghamshire home of Lord Rosebery, and its contents. Lord Rosebery leaders in one final effort to has set a £3m. price and an April 5 deadline. He is selling the estate to meet death duties.

Trafalgar House Investments, the property and engineering group headed by Mr. Victor Matthews, has offered a substantial sum towards the £2m. still needed, since the Government, through the National Land Fund, Sotheby's at Mentmore has limited its own contribution to £1m. However, Trafalgar House's offer, probably in the region of £1m., still leaves a substantial sum required within the next five days.

He said yesterday: "This is not a great commercial venture. We will not make a lot of cash out of it. We see ourselves as and its contents. Lord Rosebery leaders in one final effort to has set a £3m. price and an April 5 deadline. He is selling the estate to meet death duties.

But it may well be too late. The Government has already been removed to Lord Rosebery's main home in Scotland. By selling at auction a much larger sum, estimated at £7.5m., would be raised. It is among the historic buildings for whose preservation and repair Government grants were made in the six months to September 30.

Pre-tax profits up 37.7% in a year

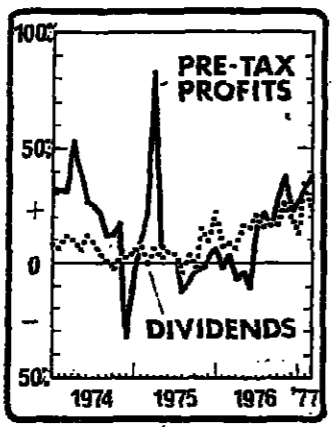
FINANCIAL TIMES REPORTER

THE 102 industrial company reports and accounts issued last month continued to show rising pre-tax profits and dividend costs over those of a year ago.

The latest rise in profits brought the average increase over the first three months of the year to 34.5 per cent, the sequence being 27.6 per cent, 33.8 per cent, and 37.7 per cent, for January to March.

Dividend cost increases for the three months came to 13.5 per cent, 34.2 per cent, and 22.9 per cent, but dividends were in most cases kept within the 10 per cent limit during March.

The March average was distorted by the 25 per cent dividend increase from ICI following the company's £200m. plus rights issue in May of last year. ICI's profits at the pre-tax level were nearly 44 per cent up



PRE-TAX PROFITS and DIVIDENDS

on the previous year, while profit increases of 53.7 per cent, and 83.4 per cent, respectively were registered by Turner and Newall and Trust Houses Forte.

Report urges improved testing of new drugs

BY DR. DAVID CARRICK

MANY IMPROVEMENTS in the methods of testing and evaluating new drugs are urged in a report in the Journal of the Royal College of Physicians.

Following reports of eye-damage in a number of patients receiving the drug prazolol, which has been employed successfully in certain cardiovascular conditions for some four years, the Royal College invited five experts to discuss the testing of new drugs and responsibility for their unforeseen effects.

The report, which stresses the necessity of drug development, particularly in the fields of medicine in which new and effective medication is greatly needed, suggests improvements in the present system of drug testing from laboratory to clinic.

and improved methods for monitoring marketed drugs and detecting adverse reactions. Sir Eric Snewen, chairman of the Committee on Review of Medicines and one of the authors, considered that certain new agents might be restricted in availability until more complete evidence, based on experience of a wider distribution than can occur in a clinical trial, can be made available.

He felt that with the rapid advances and increased complexity of medicines there must be some doubts about the ability of one person to comprehend fully every new introduction. Dr. James Crooks, Professor of Pharmacology and Therapeutics, University of Dundee, said: "The problem of adverse reaction must be kept in perspective. All pharmacologically active drugs are potentially capable of causing unwanted effects, and this potential must be balanced against their potential for producing therapeutic effects."

Crown Agents official for trial

Mr. Bernard Wheatley, 47, former money market manager to the Crown Agents, was committed for trial at the Old Bailey from Bow Street yesterday on four corruption charges involving more than £15m.

The charges specify that Mr. Wheatley corruptly received £150,000 as "gifts or consideration" for granting loans of more than £1.5m. of Crown Agents' money to two firms. The charges, with dates ranging from September 1969 to April 1974, name the firms as SIS (London) and Big City Finance.

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Bail totalling £15,000 was retained more than needed.

Base Rate Change

BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 1st April, 1977, and until further notice their Base Rate for lending is 9½ per annum. The deposit Rate on all monies subject to seven days notice of withdrawal is 5% per annum.

Western Areas Gold Mining Company Limited

(Incorporated in the Republic of South Africa) A member of the Johannesburg Consolidated Investment Group of Companies

Chairman's Review by P. A. von Wielligh

The annual general meeting of the company will be held in the board room, Consolidated Building, corner Fox and Harrison Streets, Johannesburg, at 9.15 a.m., on Friday, 6th May, 1977.

Operations for the year under Review

As considerable progress has now been made towards the attainment of rationalisation benefits made possible by the merger of the operations of the Elsburg Gold Mining Company Limited with those of your company, all of your company's mining operations were placed under the control and direction of a general manager, as from 1st January, 1977.

In order to facilitate the transition of what has hitherto been two independent sections into a more flexible and productive whole, the sectional terminology, "Western Arcas" and "Elsburg" has been discarded in favour of "North" and "South" respectively, to which I will refer in this statement.

Underground operations were again significantly affected by fluctuations in the supply of Black labour and by the reduction in the average duration of individual work contracts. The heavy influx of labour early in the year placed abnormal strains on the training and acclimatisation facilities and procedures at the mine and consequently benefits in terms of increased production lagged behind.

Towards the year-end an equally heavy exodus of labour took place, which also adversely affected production, particularly from the more labour intensive areas of your mine. Although active steps are being taken to overcome these excessive fluctuations in the availability of migratory labour, the pattern in the short term appears likely to be repeated. Management consequently must take cognisance of this factor in its forward planning. An encouraging aspect of labour recruitment has been the increased number of South African nationals entering the mining industry, thereby reducing its reliance on foreign labour.

Production Mill throughput increased from 3 447 000 tons in 1975 to 3 585 000 tons at a recovery grade of 6.37 grams per ton. A slight reduction in the recovery grade was in accordance with the company's declared policy of gaining the greatest long-term advantage from the expected future increases in the gold price by the adoption of a method of exploitation which optimises extraction from a multiple reef orebody. Gold production amounted to 22 844 kilograms (1975 - 22 582 kilograms) for which an average price of R3 545 per kilogram, equivalent to nearly U.S. \$120 per ounce (1975 - \$182 per ounce) was received. The slight increase in gold production was thus more than offset by the drop in revenue per ounce received and gross revenue declined from R83 830 000 in 1975 to R76 747 000 in 1976.

The upward spiral in working costs was reflected in an increase of some 10.7% in unit costs per ton milled. Of particular note was the significant increase in the total cost of services, mainly power, up by some 48% in 1976 and labour costs which once again reflected the annual round of wage increases granted by the mining industry at mid-year.

The effect of lower revenue and higher working costs has been to halve the working profit in the year under review. The after-tax profit was reduced by R13 775 000, to R15 317 000. After providing for expenditure on capital account amounting to R9 386 000, available profit for the year was reduced to R5 931 000 (1975 - R21 564 000) which is equivalent to 14.5 cents per unit of stock.

Development A total of 33 308 metres was advanced in 1976, which included development required to provide additional ore reserves for the planned expansion of production. However, lower gold prices received during the year, together with increases in working costs have resulted in the exclusion of a number of ore reserve blocks previously considered to be economic. In consequence, there was a reduction in the aggregate tonnage of payable ore reserves available at the year-end. Additional development necessary to restore the situation and to provide adequate flexibility in the planning of mining operations will be necessary in 1977.

continues to be slow and only 82 metres were advanced during the year. The mine has completed the installation of adequate precautionary measures to enable it to handle any possible influx of water from the numerous water-bearing fissures being encountered in these haulages. Consultants of international repute have been engaged to advise on the best methods of overcoming these obstacles. Each water-bearing fissure intersected has to be cementated under pressure and further advances are made only under rigid diamond drill hole cover.

Very little progress was made during the year in the provision of an umbrella-type cover over that part of the mine abandoned due to an influx of water in 1972. The disruption of mining operations caused by a fire in February, 1976 resulted in a stoppage of all development in the area. When access was re-established the severity of the seasonal labour shortage precluded the resumption of development. The whole concept is being subjected to a further technological investigation which will include an evaluation of the results achieved to date. The outcome of this investigation may necessitate some modification to the project.

Possible westward extensions to the Ventersdorp Contact Reef horizon beyond the present Mining Lease boundary continue to be explored by development on 50 and 56 levels and the results, although erratic, are generally favourable. At the deeper levels served by the South Shaft, development on this horizon within the Mining Lease area continues and limited stoping has commenced.

Exploration of the Middle Elsburg Reef by means of boreholes drilled downwards from current working levels has commenced and the results of seven completed holes have been evaluated. Uranium values are encouraging, but no economic gold intercepts have been made. If this programme of drilling proves the existence of an economic block of gold and uranium ore on a horizon below those currently being exploited, the life of your company's mining operations could be significantly longer and more profitable.

Ore Reserves The urgent determination of payable ore reserves has been related to a pay limit calculated on the basis of an average gold price of R3 635 per kilogram being received during 1977 (equivalent to U.S. \$130 per ounce) at current exchange rates. These reserves total 8 073 000 tons at an estimated average recovery grade of 8.00 grams per ton. The effect on ore reserves of an increase or decrease in the gold price is reflected in the table which appears on page 26 of the annual report.

Underground Fires Three fires occurred in the North Shaft area during 1976. The fire which broke out in February had serious repercussions, inasmuch as operations were disrupted for a period of six months, resulting in an estimated production loss of 95 000 tons. An insurance settlement amounting to R1 072 000 in respect of the consequent loss of profits was received.

Another major fire broke out in the North Shaft area on 27th January, 1977 seriously disrupting operations to the extent that no ore could be mined from the North Shaft from that date until 17th February, 1977. Employees not required in fire fighting operations at the North Shaft were transferred to the South Shaft, which was not directly affected by the fire and every effort was made to increase gold production from that area. Although it is impossible at this stage to determine finally the total loss of production and to assess the amount of our insurance claim, the matter will be settled with our insurers as soon as possible.

Future Operations As soon as conditions underground are restored to normal it is planned to increase the tonnage milled at the two plants to 370 000 tons per month. Maintenance of this rate of production is dependent upon an adequate supply of labour. The rate of development required to add to ore

reserves and to give additional flexibility to mining operations, must at least be maintained at the current level. As a result of problems caused by the continued incidence of and contact with water-bearing fissures, sinking operations at the S.V. Shaft, which were scheduled to start in 1978, will be delayed and it now appears that such operations will commence in 1979. The necessary preparations for these shaft sinking operations are proceeding at a slower rate than was originally planned.

Housing

Additional housing for senior Black employees is desirable for the attainment of a stable working force on the mine and it is intended to build 82 houses in 1977. Numerous improvements have already been made to the hostels housing single employees and additional facilities have been provided. The tarring of access roads to the married quarters for Black employees at both the North and South Shafts has been completed. The road in Hillhaven township has also been tarred and a further six houses are under construction.

Capital Expenditure

The net expenditure on mining assets in 1976 totalled R8 955 000 which sum included an amount of R1 300 000 paid to the Randfontein Estates Gold Mining Company, Witwatersrand, Limited in respect of two secondhand winding plants, of 4 000 horsepower and 5 000 horsepower, which were acquired from that company some ten years previously. The other major items of expenditure were incurred in respect of expansion development and underground equipment (R1 980 000), reduction plant extensions (R2 275 000), additional training and acclimatisation facilities (R530 000), underground refrigeration plant (R835 000) and development and equipment for the S.V. Shaft (R675 000). Expenditure in 1977 is estimated to be some R6.0m and includes the installation of the underground refrigeration plant (R500 000), underground expansion development and equipment (R1 115 000), development and equipment for the S.V. Shaft (R1 450 000), training and acclimatisation (R1 030 000), reduction plant extensions (R375 000) and shaft pump chambers and equipment (R400 000). In view of the present marginal profitability of the mine, every effort will be made to reduce and/or postpone all but the most essential expenditure.

Finance

The \$8m Eurodollar loan was duly repaid in May, 1976. The balance of undepreciated capital expenditure and allowances was reduced to R36 000 by the year-end and consequently no State's share of profits was payable in 1976. However, the provision for normal taxation and loan levy payable amounted to R2 338 000. The loan of R5.5m made by National Finance Corporation is repayable in three instalments during 1977 and provided that current estimates of revenue, working costs and capital expenditure prove to be substantially correct, your company will be able to meet this commitment from its cash resources.

Dividends

The total declaration amounted to 15 cents per unit of stock in 1976, compared with 32 cents per stock unit in 1975. This sharp reduction from the level of 1975 was due to the lower revenue received from gold sales, the increased cost of operations and to the necessarily high level of capital expenditure. Uncertainty regarding the future gold price, the extent of working cost increases, the probable effects of some form of implementation of the compromise agreement reached with the Mine Workers Union in respect of a shortened working week and the availability of an adequate labour force throughout the year make any meaningful forecast of results for 1977 very difficult.

Acknowledgements

The past year has been a particularly difficult one as a result of the fires and the shortage of labour experienced and the mine managers and staff must be commended for their efforts in maintaining production.

In conclusion, I wish to record the board's appreciation of the excellent services rendered throughout the year by the two mine managers, Messrs. J. Coetzee and C. S. Steyn, their staff, the consulting engineers and the technical and secretarial staffs at head office.

Johannesburg 16th March 1977.

Elsburg Gold Mining Company Limited

(Incorporated in the Republic of South Africa) The annual general meeting of the company will be held in the board room, Consolidated Building, corner Fox and Harrison Streets, Johannesburg, at 10.15 a.m., on Friday, 6th May, 1977. The Board of Directors of the abovementioned Company draws attention to the Review by the Chairman of Western Arcas Gold Mining Company Limited, the text of which is published above.

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AL SAUDI BANQUE

announces that the 2nd half of its capital was called in in March 1977, thus making its capital of FF 50 million fully paid up.

49/51 Avenue George V, Paris 8e - Tel: 720.86.08 - Telex: 630349F

HOME CONTRACTS

Further Post Office order awarded to Chrysler U.K.

CHRYSLER UNITED KINGDOM has received a further Post Office order worth more than £2.5m, for 1,165 Dodge Space vans. The number of Dodge vans ordered by the Post Office so far this year is 2,485, with a total value of about £5.5m.

SKETCHLEY OVERALL SERVICE is to supply 55,000 employees of the Ford Motor Company with free industrial clothing under a contract worth more than £700,000 a year. Each worker will receive three new overalls.

A. MASON, Mansfield, Notts, has gained a contract worth £725,000 for coal-fired boiler plants at Nottingham City Hospital. Work is due to be completed by autumn next year.

MIXCONCRETE PIPES, Chatham, Kent, has secured three orders totalling £392,000, for the supply of concrete pipes and manholes to three motorway contracts. They are for the M180 Scunthorpe Southern by-pass, awarded by Balfour Beatty/Clugston Consortium, value £221,000; the M25 Westernham to Sundridge section, from Gleeson Civil Engineering, value £160,000; and the A576/Horndon to Bedhampton Civil Engineering and worth £111,000.

C. A. PARSONS, part of the Rayrolle Parsons Group, has won a steel industry construction contract worth more than £300,000 from Gibbings Brothers of Brerley Hill. It involves the installation and interconnection of plant and equipment for two Coltek coal preparaters at British Steel Corporation's iron-making complex at Redcar.

TAYLOR INSTRUMENT COMPANY (EUROPE), Stevenage, Herts, has received an order for their Mod III centralised process control system from the Bowater Scott Corporation. It will be used to monitor the deinking process at the Corporation's new plant in Barrow-in-Furness.

WELLMAN MECHANICAL ENGINEERING, Darlaston, West Midlands, has secured a contract worth about £300,000 to build an ingot inverting machine, said to be the first of its kind for the Scunthorpe works of the British Steel Corporation.

JOHN SMITH (KEIGHLEY), a T. W. Ward subsidiary, has won orders totalling £178,000 for overhead travelling cranes. Three five-tonne units featuring radio controlled movement are for TI Accles and Pollock of Warley and a ten-tonne crane to operate on a circular track has been ordered by Moylem in connection with the Bakton surface water pumping station, for which it is the main contractor.

FERRANTI COMMUNICATION AND CONTROL GROUP, Edinburgh, has received an order worth almost £100,000 to supply the microwave relay system for Jodrell Bank's new radio astronomy installation. Two radio telescopes—one at Defford, Wiltshire, and the other at Knockin, Shropshire—will be connected to Jodrell Bank by two Ferranti Type 14000 microwave relay systems.

Finance

Deferred interest of R616 000 accruing on the State loan in 1976 brought the total amount accumulated and capitalised to R2 824 000 at the year end. In accordance with the terms of the agreement a capital repayment of R1 089 000 was made in December 1976.

The Standard Merchant Bank loan was reduced to R1 500 000 in March 1976 and the second annual instalment was paid in March 1977, leaving a balance of R1 000 000.

At 31st December, 1976, the computed undecorated capital expenditure and allowances for taxation and State's share of profits amounted to R7 600 000 and R10 800 000 respectively and accordingly no tax liability was incurred. Having regard to these balances and to the expected high rate of capital expenditure during the current year, it is not anticipated that any tax liability will be incurred in 1977.

During the year various properties were purchased in Randfontein and first mortgage bonds amounting to R299 000 were raised.

On the 15th January, 1977, the first instalment of US\$4.6m was received in respect of the US\$10.8m interest-free loan negotiated with the purchasers of the company's future uranium production. The second and third tranches will be received on or before 1st July, 1977, and 1st July, 1978, respectively.

Providing the estimates of revenue, working costs, and capital expenditure prove to be substantially correct I am confident that your company will be able to meet all commitments from these resources, and from retained profits.

Dividends

The company resumed dividend payments in 1977. Two dividends of 100 cents each absorbing R10 827 000 were declared during the year. Having regard to the very high rate of capital expenditure planned for 1977 and to the continued uncertainty prevailing as to the gold price and expected working cost escalations during 1977, no meaningful forecast of results can be made at this time. It is the intention of your board to endeavour to maintain dividends at the 1976 level.

Proposed Acquisition of South Roodepoort

In a joint company announcement made in September, 1976, shareholders were informed of your company's proposal to make an offer to acquire all the issued shares of South Roodepoort Main Reef Areas Limited, which it did not itself already hold, for one rand per share, payable in cash.

These proposals were embodied in a Scheme of Arrangement posted to South Roodepoort shareholders in December, 1976. At the Scheme Meeting held on the 24th January, 1977, South Roodepoort shareholders rejected the proposals outlined in the Scheme of Arrangement and consequently your company was no longer bound by the conditions.

The company's interest in acquiring the issued share capital of South Roodepoort was the convenience offered by the immediate availability of a settled mining community in close proximity to its own shafts. The acquisition proposals therefore had only limited appeal to your company and it was important that they be concluded without delay. Your company will now proceed to purchase and build the houses it requires and to recruit personnel in the normal way.

Uranium Sales

Negotiations with potential customers for the company's future uranium production were conducted during the year through the agency of the Nuclear Fuels Corporation of South Africa (Pty) Limited (Nufcor) and formal long term sales agreements were concluded towards the year end. The company is assured of a guaranteed base price, in escalating United States dollars, for its contractual production and in the event that world market prices during the contract period exceed the escalated base price it will receive a market related price.

As shareholders are aware the purchasers have also undertaken to assist in the financing of the expansion programme by means of interest free loans amounting to US\$10.8m, payable in three equal instalments, the first of which has been received. Repayments of these loans will commence in 1980 and will be related to deliveries made in terms of the contracts.

Acknowledgements

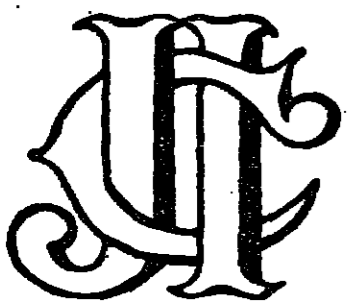
I would once again like to record your board's acknowledgement of the vital role played by the management and staff of Nufcor in successfully concluding the negotiations with our customers and in drawing up the sales agreements.

Your board also wishes to record its appreciation of the personal assistance and co-operation it received from the President of the South African Atomic Energy Board throughout the negotiations.

In conclusion, I wish to express the board's appreciation of the excellent services rendered throughout the year by the general manager of the mine, Mr. R. D. Wolff, the mine staff, the consulting engineers and the technical and administrative staff at head office.

Johannesburg 31st March, 1977.

31st March 1977



The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

(Incorporated in the Republic of South Africa)

A member of the Johannesburg Consolidated Investment Group of Companies

Chairman's Review by Bernard Smith

The annual general meeting of the company will be held in the board room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, at 9.15 a.m., on Wednesday, 18th May, 1977.

I have pleasure in presenting my statement for 1976, a year in which significant progress was made towards the expansion of operations to include the production of uranium oxides. Long term contracts relating to the sale of your company's future uranium production were concluded and interest free loans were arranged to finance a substantial portion of the cost of the expansion programme.

Working profit increased from R26 968 000 in 1975 to R36 836 000 in 1976.

Operations at Cooke Section

During the year 944 000 tons were milled at an average recovery grade of 16.95 grams per ton compared with 810 000 tons in 1975 at an average recovery grade of 13.92 grams per ton. The No. 1 Shaft system continued to operate at its full capacity and in addition some 3 000 tons of development ore were obtained from the No. 2 Shaft area. Gold output increased from 11 654 kilograms in 1975 to 15 997 kilograms but the average price obtained declined from R8 437 per kilogram (US\$123 per ounce) in 1975 to R8 306 per kilogram, equivalent to some US\$118 per ounce, in 1976.

Although working costs increased from R14 172 000 in 1975 to R17 100 000 in 1976, unit working costs were restricted to an increase of some 7% as a result of the increased throughput. Cost increases resulted from the generally prevailing inflationary climate in the Republic which shows no signs of abating in the short term, spurred on as it has been in recent months by significant power and transport cost increases. It is anticipated that increases of this nature will continue during the year and in addition the effects of the introduction of a shorter working week in the near future could also contribute towards an increase in production costs.

Development in the No. 1 Shaft area increased from 10 028 metres in 1975 to 11 412 metres in 1976 at a slightly higher gold content. The channel width showed a significant reduction however, indicative of mining operations moving away from the composite reef horizon to more clearly defined reef channels.

Uranium values associated with the gold bearing Upper Elsburg Reef being developed at No. 2 Shaft were up to expectations. The gold content of this development is above expectations but shareholders are reminded that to date the total development on reef is somewhat limited. In all 5 037 metres was developed from the Ventilation Shaft, whilst the equipping of the Main Shaft continued. Channel widths in the No. 2 Shaft area appear to be significantly lower than in the No. 1 Shaft area.

The No. 2 Main Shaft reached its final depth early in the year and by the year end had been equipped and is now complete to 106 level. Final commissioning is expected next month.

Operations at Randfontein Section

Work towards the re-establishment of underground mining operations in the Bird Reefs commenced during the year and satisfactory progress was made in re-equipping the hoist and shaft installations of the old No. 16 and S.D.32 shafts, the Pioneer subvertical mine and main tramming level. Entry was also made into stopes which are considered viable and these were re-supported and prepared for operations which are scheduled to start in the second quarter of 1977. Preparations are also well in hand for the commencement of pumping operations to de-water the mine below 14 level. This is scheduled to commence in the third quarter of 1977.

Gold and Uranium Recovery Plants

The refurbishing and re-construction of the Millsite uranium plant was commenced during the year and extensions in the gold plant to provide a total gold and uranium treatment facility of some 100 000 tons per month should be completed early in the third quarter of 1977.

At Cooke Plant, the construction of a new 250 000 ton per month gold and uranium recovery facility is progressing satisfactorily. The first production units are expected

to be commissioned early in 1978 and it is anticipated that full utilisation will be possible within six months thereafter.

Construction of the overland conveyor belt system from Cooke No. 2 Shaft to the Cooke Plant is progressing well and provision has also been made for the initial transfer of this rock to the existing railway system currently operating between Cooke No. 1 Shaft and the Millsite plant. The expected completion date for the conveyor belt system is June, 1977. Ore from Randfontein Section will be transported by rail to Millsite or Cooke plants as required.

In order to ensure that these facilities for the recovery of gold and uranium will be constructed as expeditiously as possible, the Johannesburg Consolidated Investment Company, Limited, as technical managers, formed a Recovery Project Management team, consisting of its own technical staff supplemented and strengthened by Bechtel International Limited personnel. The Recovery Project Management Group have planned, and will expedite and control all aspects of the design, engineering and construction of the gold and uranium recovery plants and the rock transport system.

Future Operations

Stopping should commence at both Cooke No. 2 Shaft and at the Randfontein Section in the second quarter of 1977. The ore from these two sources will be of a lower gold recovery grade than that presently being mined at Cooke No. 1 Shaft and a significant drop in the mine's overall recovery grade is thus inevitable. This drop in gold grade should be compensated for to some degree by an increase in the uranium grade of the ore milled. However, the total output of gold will steadily increase with mill throughput. Initially, ore from Cooke No. 2 Shaft will be transported to the Millsite plant, but once that plant's full capacity is reached the surplus production will be stockpiled at Cooke Plant to provide it with an assured supply of material at starting. The initial production from Randfontein Section will also be stockpiled. The total stockpile could amount to some 300 000 tons by the time Cooke Plant is commissioned.

Once Cooke Plant is operating at its full rated capacity of 250 000 tons per month Millsite plant will treat 100 000 tons per month of uranium bearing slimes, previously treated for gold content only. It is estimated that some 50 tons of uranium oxide could be produced by the year end.

Housing for Employees

During the year, 69 houses were erected on the company's property at Finsbury township and a further 97 were under construction at the year end. Six houses are also under construction at Robin Park and a further eighteen houses were purchased in other Randfontein suburbs.

The new Elandfontein Black hostel, adjacent to Cooke No. 1 Shaft, is rapidly nearing completion and the first occupants moved in towards the end of January, 1977. A second new hostel, Emzini, adjacent to Cooke No. 2 Shaft, is under construction and it is anticipated that staff will be accommodated there during the second quarter of 1977.

At Bhongweni township, which is situated in close proximity to S.D.32 Shaft on the Randfontein Section, the construction of houses for married Black employees will commence this year as soon as the necessary formalities have been completed.

Capital Expenditure

Net expenditure on mining assets totalled R31 820 000 in 1976. The main items of expenditure were: Cooke No. 1 Shaft - the Elandfontein hostel and underground development; Cooke No. 2 Shaft - sinking and equipping, underground development and equipment and the Emzini hostel; Randfontein Section - underground equipment and shaft installations at S.D.32 Shaft; the Millsite uranium plant; the Cooke gold and uranium plant; the overland conveyor system and mine housing at Finsbury township.

Total capital expenditure in 1977 is estimated at R96m. The estimate will be subject to continuous review according to progress made.

LIBYAN ARAB REPUBLIC



THE ARABIAN GULF EXPLORATION CO. (S.P.A.)

P.O. Box: 263 Benghazi
CABLE: INJAZ BENGHAZI
TELEX: 40033 AGECO LY BENGHAZI

ENROLMENT ON SUPPLIERS' RECORD

The Company has the pleasure to invite Suppliers to enrol on her Suppliers Record for 1977 on or before April 30th, 1977. Applications should be submitted or sent by Registered Air-mail to the Tenders Committees Secretary, Room 19 at the Company's address, in an envelope marked "Suppliers Record". The following details and the supporting documents should be provided: Business name and its registered number, Capital, Bankers, name of Managing Director, Address and Telephone No., Previous similar works executed by the applicant, Present activities. Applications should be submitted for any/all of the following groups:

GROUP I

Special Technical Materials and Requirements for Exploration, Production and Development.

- Casing and Production pipes for water wells
- Casing and Production pipes for oil wells
- Well-heads and Drilling bits
- Joints, elbows, valves and other parts for pipes and attachments
- Clay, chemical materials, and all kinds of cement
- Tools and instruments
- Laboratory equipment
- Spare parts for generators, engines and pumps
- Spare parts for precision instruments
- Telecommunication equipment
- Tools and materials for cleaning pipes and production and freight equipment
- Fire and explosion protective clothes

GROUP II

Specialised Technical Services:

- Chemical treatment of production plants
- Special wiring operations
- Pipe laying and maintenance of gas/oil pipelines
- Gas Turbines
- Pumps
- Precision instruments
- Radio
- Baxman engines
- Cathodic protection of main pipeline
- Replacement of prover
- Pressure, volume and thermal analysis
- Survey and localisation
- Well drilling
- Well testing special equipment
- Seismic and drilling operations
- Preparation and analysis of coring samples

GROUP III

Structural & Mechanical

Maintenance Services:

- Sand removing and conveyance, embankment and levelling
- Building construction
- road paving and maintenance
- Electrical, Plumbing, carpentry, painting works
- Sanitary and Forgery works
- Maintenance and repair of mechanical vehicles
- Construction and building of Petroleum and water tanks

GROUP IV

Consultants Services

Financial & Administrative consultations
Technical consultations

GROUP V

General Services

- Tankers piloting boats
- Light vehicles
- Heavy-duty vehicles of different sorts and capacity
- Levelling tools and equipment
- Dredges and cranes
- Nutrition and Victualing services
- Cleaning services
- Advertising (local & abroad)
- Cinema Films and Film Projectors
- Photographing and Cinema Photography

GROUP VI

Stationery and Household appliances and Materials

- Furniture
- Household appliances: Refrigerators, Ovens, Air-conditioners and Fans
- Typewriters, calculators and photostat instruments, with repairs and maintenance
- Designing and printing - Information materials and instruments
- Cleaning and sanitary materials
- Stationery and office materials.
- Supply of Scientific books and magazines, newspapers, clothes and footwear

NORTH SEA OIL REVIEW

BY RAY DAFTER

BOND DRAWING

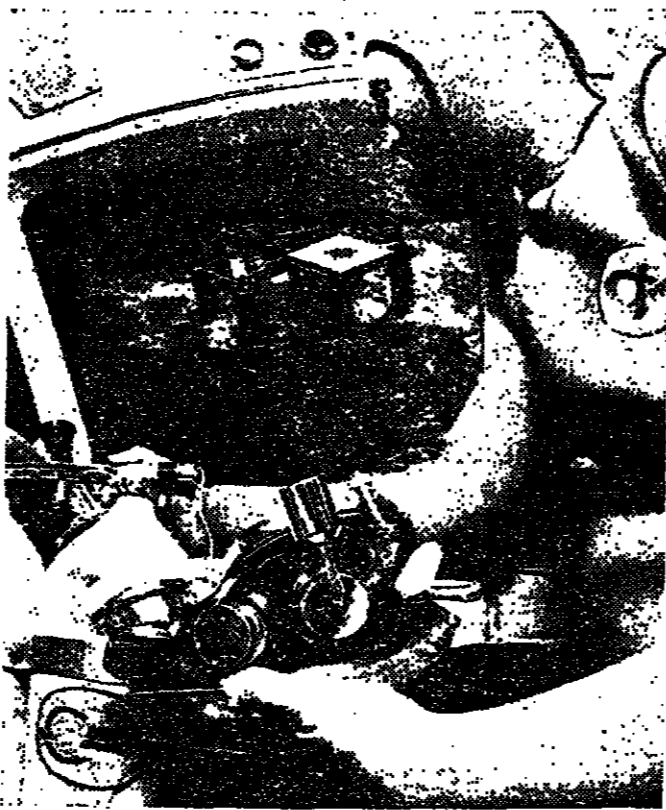
New role for subsea services

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THE OPPORTUNITIES created for a new and potentially big sector of British industry are among the less publicised results of offshore oil development. Offshore is it being fully realised that the North Sea oil and gas structures, which are well on their way to making Britain energy self-sufficient within the next two or three years, will need a level of inspection and maintenance totally new to the oil industry.

Figures which have been circulating in the offshore industry suggest that over the life of North Sea oil development at least \$20bn. (at current prices) will be spent to make sure that platforms, pipelines, and sub-sea well systems are safe and in good working order. Given that the world market is some five to ten times that in the North Sea, the opportunities afforded to British industry become apparent. What is more, U.K. companies have a chance of getting in at the ground floor of sophisticated offshore inspection and maintenance, for it is perhaps the one large sector of the oil industry which is not dominated by U.S. groups. In the Gulf of Mexico the need for regular inspection and maintenance has been minimal. At little more than 2 cents for every barrel produced. In the totally different environment of the North Sea the cost will be nearer to 80 to 100 cents a barrel.

So, with the minimum of ballyhoo, a number of British companies with offshore experience are forming themselves into consortia in order to offer inspection and maintenance packages. The development is being encouraged by the Department of Energy's Oilshore Office which is anxious to see the British content of these contracts (now about 75 per cent) maintained as the business expands. This year the market will probably be worth around £50m. By 1980, when oil output should be nearing its peak, the annual figure could be nearer £300m. In a few weeks' time British Petroleum and Wimpey will formally announce the formation of a new group, an announcement timed to coincide with the Offshore Repair and Maintenance Exhibition to be held in Brighton from April 20 to 22. The two companies, which already have a strong presence in the North Sea, have formed a group called Offshore Maintenance and Inspection Services Company (OMISCO for short). They worked together before, for Wimpey was among the contractors involved in the development of the BP Forties Field.



A diver approaching a North Sea oil rig: U.K. companies have a good chance of developing sophisticated offshore inspection and maintenance services.

of handling between £50m. and that the subsea system is the most advanced available. Secondly, much of the work will involve underwater expertise and facilities, including the support of divers and subsea transport systems. P & O, Vickers Oceanics, and British Petroleum's subsidiary, Sonarmarine, are among those operating submersible vehicles. Recognising the market potential, the National Enterprise Board has also become involved. With the Peckston Group, of Middlesbrough, the NEB has bought a major stake in Sub Sea Surveys (SSS) of Barrow-in-Furness, which operates a remote controlled unit developed by the British Aircraft Corporation at Filton. The NEB which, like Peckston, has bought a 45 per cent stake in SSS at a cost of £50,000, claims less experienced help, perhaps

resulting in a rise in the accident rate and a prolonged development of the North Sea fields. Certainly divers will become even more valuable as the statutory requirements for regular inspection and maintenance begin to take effect. All the structures in the North Sea must be regularly inspected and re-certified. It is a sobering thought that if the industry were asked to-day to provide the level of service that will be required to cover all the structures in place in 1980, the U.K. underwater engineering capacity to inspect, maintain and carry out repairs would be grossly inadequate. Government estimates suggest that the British subsea service industry could cope with only 25 per cent of such demand. As it is, companies are now only beginning the methodical inspection of the 22 structures currently in position in the northern sector of the North Sea.

The learning curve has become apparent in almost every facet of offshore oil operation, none more so than in the area of planned servicing. Events have shown that in the rush for all some of the fundamental design aids to inspection and maintenance may have been overlooked. In the case of some of the platforms it will be extremely difficult, if not impossible, for divers to inspect all of the leg sections. It has also become apparent that there needs to be a more informative, less confusing system of numbering on the underwater parts of many structures.

Mr. Peter Thornton, supervising engineer with Comex JB told the Underwater Maintenance of Steel Platforms Conference in London last month that some of the concrete platforms had a surface area equivalent to 12 to 14 acres "That's equivalent to going to Heathrow Airport with a flashlight one night, finding a crack in the runway, going back the next night, finding the same crack, and filling it in." Full-scale inspection and maintenance of offshore structures will test the ingenuity of the British service industry. But if the supplies of all-important North Sea oil—their importance stressed again this week in the Chancellor's Budget speech—are to be fully protected, then it is an aspect of oil development that cannot be taken lightly.

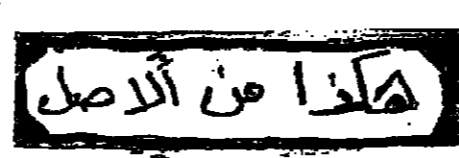
Table with multiple columns containing numerical data for bond drawing, including corrected notices for U.S. \$9% Bonds 1991 and U.S. \$7% Bonds 1992.

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ASIAN DEVELOPMENT BANK Manila, Philippines DM 100,000,000 7% Deutsche Mark Bonds of 1977/1985. List of participating banks including Dresdner Bank, Deutsche Bank, Commerzbank, Westdeutsche Landesbank, etc.

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BHP The Broken Hill Proprietary Company Limited Melbourne, Australia. U.S. \$ 30,000,000 8% Bonds of 1977/1985 Offering Price: 99 1/4%.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

New underwater vehicle

JOINING in the battle for a share of the fast-growing market for exploration vehicles to be used under the North Sea and elsewhere is the National Research Development Corporation... The NRDC is seeking a licensee to make the unit and will be facing active competition with British Oxygen...

Leaf power study

PHOTOSYNTHESIS harnessed to produce power for human needs directly from sunlight has come a step closer through work at Argonne National Laboratory in the U.S. But developers there think they may still be some 10 years away from practical realisation...

Shell goes for RB211

MAINTAINABILITY and high power have secured a contract with Shell for the installation in Canada of a 30,000 hp industrial RB211 engine to be used to power a big gas compressor, by Dresser Clark...

COMMUNICATIONS

Main talking points

TELETRONICS is offering a new National Panasonic Intercom that offers point-to-point communication through a building's existing mains electricity supply...

ENERGY

Bluffing a shop thief

ANTI-PILFERAGE closed circuit television dummies with applications in all types of retailing have been designed by Volumatic...

COMPUTING

Conversion at Health Service

TWO YEARS' work on the conversion of System-4 equipment at the Department of Health and Social Security has culminated in a decision that ICL's New Range equipment will do the job...

MATERIALS

Italian additives for paint

SUPERCOLORI IS an Italian company which produces anti-setting agents for paint. Now it has introduced a further range of products—defoaming, dispersing and wetting agents—for the surface coating industry...

SECURITY

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METALWORKING

Bandsaw to cut with precision

METAL removal rates better than 130 square cm per minute for a group of ferrous metals are reported for a fully-automatic bandsaw intended primarily for cutting large solid materials but also eminently suitable for work on bundle cutting of small diameters and sections.

HANDLING

Lifting the heavy loads

EURO RANGE lift tables are for heavy-duty materials-handling, freight-handling, and work positioning applications. Standardisation and large scale flow-line production give cost and performance benefits. Delivery of standard units is normally ex-stock and the new range is covered by a two-year guarantee.

Component cut-off length is controlled by a feed-vice, set by push-button on an electronic console and checked to within ±0.1 mm. The digital readout has equipment that accurately sets the first billet length relative to the blade position. Design of the drive wheels is such as to eliminate twist from the blade and maximum tension on it can be maintained so that accuracy of cut and squareness is of a very high order. More on the Kasto bandsaw from Rivers Machinery, Winnall, 13 mm providing cutting times Winchester.

Built-in hinged checks support the raised table safely, allowing service work underneath, while a panel in the platform top gives access to the hydraulic units when the table is lowered. Trepel, New Road, Sheerness, Kent ME12 1NB, 07956 4581.

New issue April 1, 1977

This advertisement appears as a matter of record only

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SERVICES

Avoiding stoppages

HIGH PRODUCTION plant in a number of areas of manufacturing is so expensive that any interruption in its round-the-clock operations is a matter of major concern for management. Demand for expert services to cope with urgent repairs/remedial action is growing all over the world and prompting a rapid expansion in the "fire-brigade" work carried out in many countries by Babcock and Wilcox (Operations). With 80 graduate experts in quality control alone at its beck and call, the service is able to tackle this type of work, dovetailing with non-destructive testing, welding production, as well as training and testing, and construction and lifting technology. The intention is to expand and develop these services and also move into new areas including handling and electrical supply. One area of particular importance, because of the size

of tankers and of the new container vessels, is the company's service for repairs at sea on any type of boiler in any kind of vessel with repair squads on call to fly out with their equipment on short notice. The company has been called in to cope and get plant back on stream by doing on-the-spot repairs in a number of plants including some in South America where the suppliers of the original plant were in favour of a replacement job which would have cost very much more, and more importantly, have taken many months to complete. Key to the service is the way in which the various types of expertise are integrated so that no job is ever tackled in isolation. This stems from years of experience on some of the world's most critical engineering tasks. More from Babcock and Wilcox (Operations), Construction Division, Renfrew PA4 5DH. 041-856 4141.

AUTOMATION

Checks the NC tape

OFFERED BY Ultronic Data Systems is the UDS-Rob trace checker designed to verify numerical control tapes and to complement the company's existing tape preparation unit. Simulating the two-dimensional movement of a machine tool such as a lathe, the unit plots the cutter path on paper according to the data recorded on the tape. Operating in either ISO or BIA mode from eight channel paper tape, it plots the component profile. The trace depicts each cutting stroke and differentiates between roughing, semi-finish, finish, and tool changes, and also shows feed movements and rapid traverse. Thus only good tapes need be run on the machine tool; programming errors being easily corrected beforehand away from the shop floor. Apart from preventing wasted time, the unit reduces the risk of damaging expensive workpieces. More from Ultronic Data Systems, 16, Oxo OX9 3SU (08421 3151).

Finding the weak spot

ISPACE is a computer aided design (CAD) program which adds to layout worst case analysis and helps the design engineer to pinpoint critical areas and measure their impact on the performance of complex electronic circuits. Available through the computer network of CSS International, it was developed by a team of electronics engineers at the parent MGSSE, to simplify design and analysis of active circuits which may involve virtually an unlimited number of components, or a large number of non-linear variables. The worst case feature allows one step computation of the worst case operating point based on user-designated component value spread of tolerance. The ISPACE interactive control structure allows worst case analysis to be performed with respect to any of all combinations of elements or groups of elements as required by the user. Worst case capability calculates the d.o. operating point which will minimise or maximise a circuit voltage or current. CSS International, 232, Vauxhall Bridge Road, London, SW1V 1AU. 01 834 2223.

INSTRUMENTS

Rinse water economies

WIRA has an instrument that allows the amount of water used in textile washing and rinsing processes to be minimised with a consequent saving in supply charges. Autotrise will ensure that the rinsing process stops when the required degree of cleansing is reached, whereas (using rate) to allow the process to run longer than strictly required. It operates by comparing the optical density of the effluent from the rinsing process with that of the water being used for rinsing. When the difference falls to a pre-set value the rinsing is stopped. WIRA says the prototype instrument will save both water and time. It is the subject of a patent application and is being offered to companies who are interested in applying it in their processes. WIRA (Headingley Lane, Leeds LS16 1BW. 0532 750077).



KGEL LTD
Kennedy Tower,
St. Chads Queensway,
Birmingham B4 6EL

MATERIALS

Italian additives for paint

SUPERCOLORI IS an Italian company which produces anti-setting agents for paint. Now it has introduced a further range of products—defoaming, dispersing and wetting agents—for the surface coating industry. To tackle foam problems that do not respond well to conventional defoamers, the company has developed Novefel 2000, which is a non-silicone base for water paints and plastic wall coatings. It has also developed three grades of defoamers for less severe problems. To improve covering power, colour development and shelf stability of water based coatings, the company has introduced a dispersing agent called Dizin. A pale yellow liquid, it consists of a combination of inorganic and organic salts giving a dual action in aqueous systems—it wets the surface of the pigment and prevents agglomeration of the particles. In addition to being suitable for use in water based systems in vinyl and acrylics, Bumar A2 can be used as a wetting agent for water soluble synthetic systems, primers and enamels. Marketing in the U.K. is by Jacobson Chemicals Division, R. S. Stokvis and Sons, Pool Road, East Molesey, Surrey (01-941 1212).

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with a Lister generating set from 2.75-175 kVA.

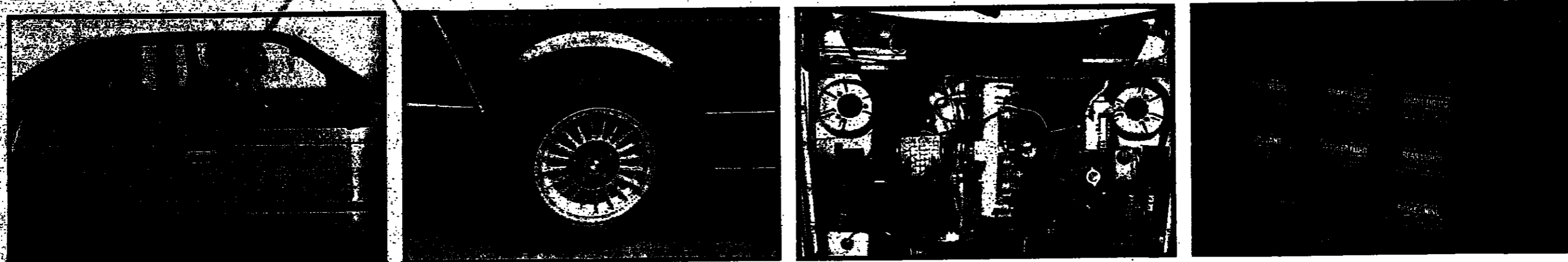
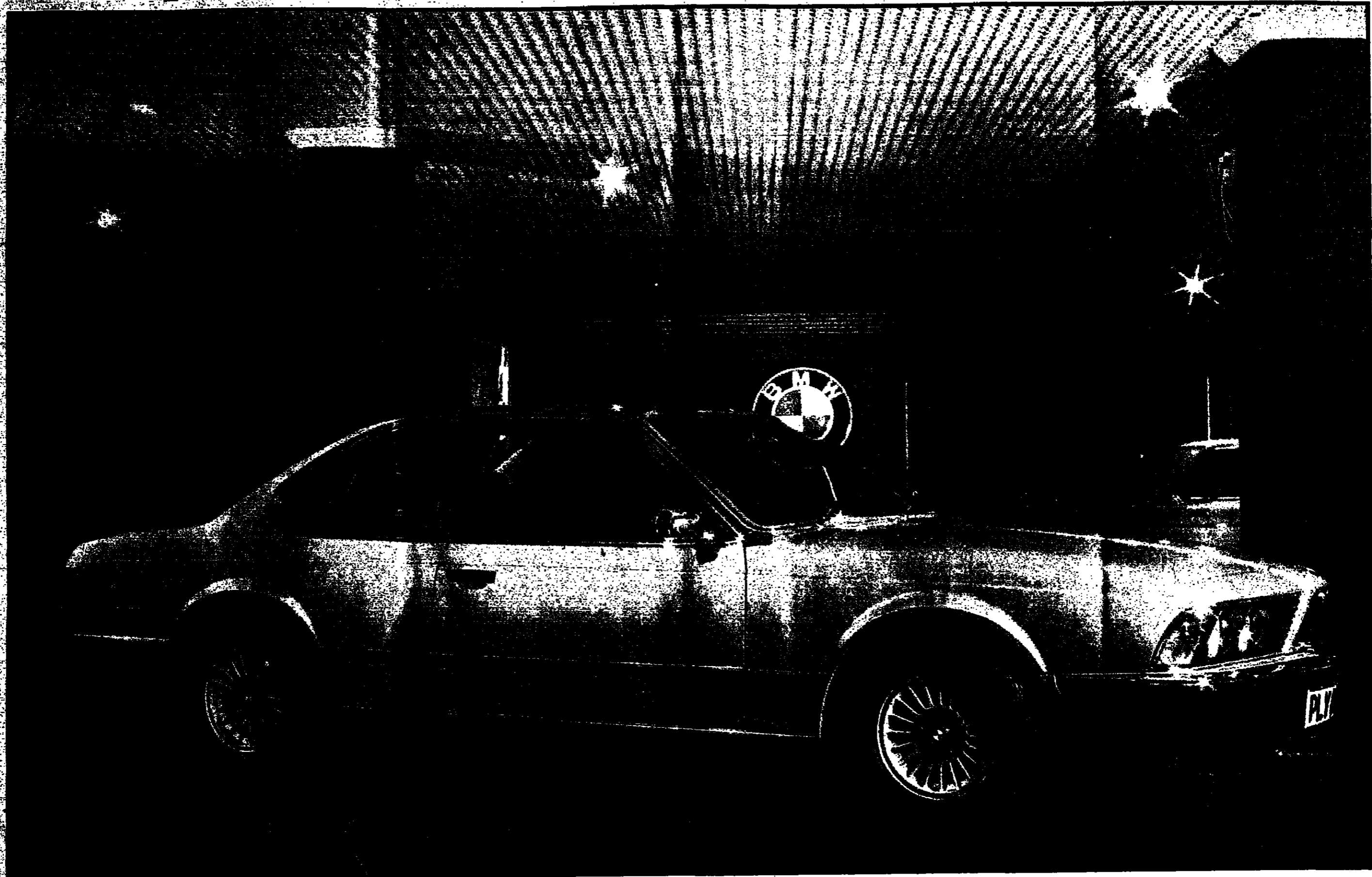
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H. A. Lister Power Plant Ltd, Truro, Cornwall GL3 5BW
Tel: 01893 82626, 01893 82559
Fax: 01893 82559

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as sound material for its other news broadcasts.

150/150

The new BMW 633 Coupé reflects the qualities that make people successful.



The 633 Coupé will inspire its owner with a very particular feeling and a reassurance that even in these difficult times things could be worse.

There are several reasons for this. The Coupé has a unique style, an elegant look of purpose and power. The 3.3 litre, six cylinder engine produces 200bhp. Maximum speed is 134mph. Yet the ride is so effortless that even when the Coupé is being driven fast all you're aware of is the ease with which the power is handled.

Unlike some cars called 'Coupés' the 633 has room to spare for four adults. The leather and velour seats are biomechanically designed for comfort and real support. The front two are not only adjustable for angle and reach but also for height. This ensures that there's plenty of

legroom available in the back.

Detailed attention has been given to the driving position. As with the seat, the steering and pedal positions are adjustable. The control panel 'wraps around' the driver to give the quickest and easiest display and operation. All round visibility is excellent. The feeling the driver has is one of complete command of car and road—a feeling justified by the car's performance.

The balance of speed, handling and comfort is complemented with features like speed-related power steering, electric windows and mirror, tinted glass, head restraints and automatic or manual transmission as standard.

The Coupé also incorporates several highly sophisticated safety systems such as the

driver's safety check panel, where at the press of a button he can check on seven major safety functions of the car. If the worst should happen the Coupé will absorb impact energy in a pre-planned way to give maximum security.

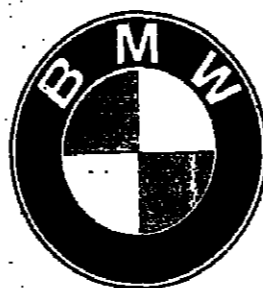
However the main safety feature lies in the car's immediate and exceptional response to the driver. This gives more options in critical situations.

All these factors ensure that the Coupé succeeds in its ultimate purpose—to make every journey fast, safe and effortless to a degree never achieved before. They also make the Coupé one of the world's most pleasurable cars to drive.

So when you next see the BMW 633 Coupé, you might recall the old adage that nothing succeeds like success.

Specification Resumé For Manual Version.
 BMW 633 CSi Coupé. Engine 3210cc, six cylinder, fuel injected producing 200bhp.
 Performance: Maximum speed 134mph. 0-60 in 7.6 secs.
 Petrol consumption: 26mpg (28mpg at constant 62mph).

Price.
 £14,799 (Manual or automatic. Price correct at time of going to press)



For the joy of motoring.

BMW Concessionaires GB Limited, 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO and Diplomatic: 55 Park Lane, London W.1. 01-629 9277.

BOOKS

Ego trip

BY C. P. SNOW

Christopher and His Kind: 1929-1933 by Christopher Isherwood. Eyre Methuen, £4.95, 251 pages

Recently Mr. Christopher Isherwood gave an attractive and effective television interview... The trouble seems to be that unassuming, amusing, idiosyncratic, a personality which has banter, a manifesto...



Christopher Isherwood: himself when younger

couldn't help recalling a controlled, but somewhat fatigued voice of an acquaintance a good many years ago... The main lesson of Christopher and His Kind is that, even with

Fiction

When love flies in

BY ISABEL QUIGLY

Reunion by Fred Uhlman. Collins/Harvill, £2.50, 112 pages

The Passion of New Eve by Angela Carter. Gollancz, £3.95, 191 pages

The Demon by Hubert Selby. Marlon Boyars, £2.95, 312 pages

Enough Blue Sky by Elizabeth North. Gollancz, £4.20, 190 pages

Reunion is the story of a friendship between two boys of 16, its development and loss, the world and circumstances that kill it... The narrator, Hans Schwarz, is living in Stuttgart in 1933...

such as the glamour of his family, the famous, always royal ancestor, and connections... match the psychic world she conjures. She is so gazing a writer that it would be pity if the slotting of The Passion...

Elizabeth North's Enough Blue Sky makes much out of little in its account of a journey from London to Gibraltar in 1939... Luck brings me, in the one week, an outstanding novel...

Fred Uhlman: boys in Nazi shadows

his hero in The Demon, is a man pursued, outwardly ordinary, even kind, inwardly impelled to viciousness... Elizabeth North's Enough Blue Sky makes much out of little...

Secret victories at sea

BY ZARA STEINER

Very Special Intelligence by Patrick Beesly. Hamish Hamilton, £5.95, 271 pages

This is a gripping, clear and balanced account of the Admiralty's war-time Operational Intelligence Centre which supported the British Navy with the vital information needed to defeat Dönitz and Räder... Like so many other war-time successes, the OIC had a short and

American and Canadian counterparts, managed to successfully re-route some 60 per cent of all scheduled North Atlantic convoys... The Allies were faced with the increasing German ability to increase U-boat production despite continuous and heavy bombing...



John Dean: flawless memory

According to Dean

BY DAVID BELL

Blind Ambition: The White House Years by John Dean. Simon and Schuster, £4.95, 415 pages

There have already been a lot of Watergate books and more are promised, but it is unlikely that any will be quite so illuminating as this one by John Dean whose flawless memory provided so much of the ammunition that fatally wounded Richard Nixon... Dean follows the cover up, the mounting fear inside the White House and the jockeying for position...

He activated his slumbering conscience and he turned state's evidence. Just before jetting all to the Prosecutor he hesitated his former boss, John Mitchell, who said that his confession could cause "a terrible problem for Nixon"...

NEW EDITIONS. The leading sources of information on: •The top 3500 companies in the Arab World •The top 2000 companies in Iran. Major Companies of the Arab World. Major Companies of Iran.

Time at the Varsity

BY SARAH PRESTON

My Oxford edited by Ann Thwaite. Robson Books, £4.75, 213 pages

My Cambridge edited by Ronald Hayman. Robson Books, £4.75, 224 pages

A good, if ungrammatical, substitute for this series would be "Me as an undergraduate, for the interest in these exercises in nostalgia, which certainly make entertaining reading, is not so much the light they throw on the noble institutions of Oxford and Cambridge as what they reveal about the dozen distinguished contributors to each volume...

of Giron and is still part of Cambridge. In contrast Raymond Williams has never felt he belonged or wanted to belong... The books show how people can reside at the same university but never meet and see their experiences completely differently...

Glittering Maugham

BY ANTHONY CURTIS

Somerset Maugham and his world by Frederic Raphael. Thames and Hudson, £3.95, 123 pages

Gerald Kelly's biographer, Derek Hudson, tells us in For Love of Painting that he painted 18 portraits of Somerset Maugham; and no less than 15 of them are now in the Humanities Research Center of the University of Texas... The challenge presented by the contours of that extraordinary face, the epitome of creative concentration, was not merely irresistible but capable of inspiring contradictory impressions on the various canvases...

collections of them) However, so much has as they say "come out" but further revelations would seem unlikely... Yet, to see Maugham's whole style as a form of translation seems a little hard. This is not just as many portraits of him in book-form. The latest is by the author of The Glittering Prizes: a fitting match surely of portraitist and sitter...

GERMAN MARKET SURVEY. Comprehensive analysis of West German Market, aimed at the practical businessman and possibly first time exporter. Combines background survey of the country (geography, economy, society, industry surveys) together with commercial regulations and procedures, right down to practical hints on how to start selling goods...

PAKISTAN. The first comprehensive book on PAKISTAN written by the world's leading authorities. 303 x 227 mm. 288 pages. 500 photographs, 36 maps & diagrams. £15 until 31st May, £18 thereafter. Stacey International, Publishers, 128 Kensington Church Street, London W8.

Opera from A to Z. Elizabeth Forbes. forward Lord Harewood. An authoritative and interesting reference book by a well known critic, containing an alphabetical list of composers, operas, singers, conductors and producers, and a look at recent developments in opera and its likely future. £3.50 from all good bookshops and KATE & WARD 01-263 7495

APPOINTMENTS



Bank Hapoalim B.M. require Senior Bank Officers

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Salaries commensurate with experience plus fringe benefits.

Please reply in confidence to: Chief Accountant, Bank Hapoalim B.M., 8/12 Brook Street, London W.1.



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Applicants should have experience or particular interest in business journalism.

Please send full personal and career details to:-
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Swiss National required for Zurich office of International firm of Money Market Brokers. Applications are invited from either experienced brokers or trainees. Salary negotiable.

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Medium sized Stockbrokers on Centre File System require

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BANKING

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Ewan Employment Agency Ltd
15 Copthall Avenue, London EC2R 7BT

COMMODITY APPOINTMENTS. Traders

traders, administrators and accountants.
Tel. Graham Stewart. 01-439 1701.

OPTIONS CLERK. c.£5,000 plus very high bonus. Well established commodity brokers. EC2 Tel. Mr. McBride 0-506 4376.

Contracts Officer

Contract in to Seltrust Engineering Limited

- a wealth producing company

We are looking for an experienced Contracts Officer, probably aged 25-32, to join a small professional commercial office based in our London Head Office. The successful candidate will be involved in the preparation of £multi-million tenders, in the drafting and negotiating of contracts for international clients and will provide legal advice and assistance to Project Managers in the administration of contracts.

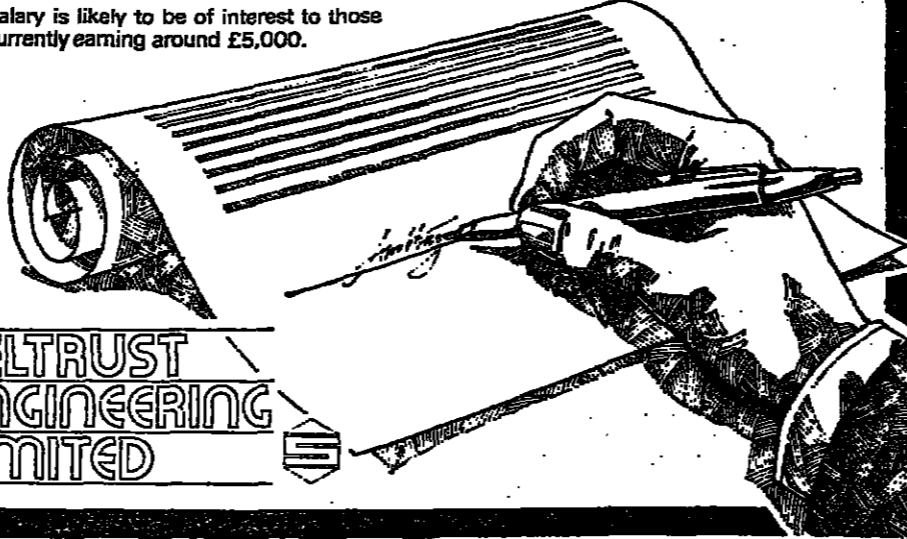
Candidates should have at least 2 years' relevant experience in the preparation of tenders and drafting contracts ideally gained in the petro-chemical, mining or metallurgical industry. Experience in the arrangement of international project finance working with banking organisations and knowledge of E.C.G.D. procedures would be a distinct advantage.

Salary is likely to be of interest to those currently earning around £5,000.

Other benefits include a 12 1/2% annual bonus, non-contributory pension and life assurance schemes and assistance with relocation expenses where appropriate.

Seltrust Engineering Limited offers clients in the mining and extractive metallurgical industries a complete service from the initial investigation and feasibility study through conceptual and detail engineering design to plant construction, commissioning and operation. Our staff travel throughout the world to assist our clients with their projects.

For further details and application form, please write to or ring John Pitt, Personnel Manager, Seltrust Engineering Limited, Fleet House, Clerkenwell Road, London EC1M 5SP. Tel: 01-606 6000.



SELTRUST ENGINEERING LIMITED

General Manager (With Board Prospects)

Property Development

The objects of this established and successful Company are to create commercial and industrial developments for sale to the investment market. It is a member of the Shepherd Building Group, which has a turnover of £80 million plus in construction, manufacturing and other activities. Applicants, male or female, should be Chartered Surveyors or equivalent and have a proven record of profitable commercial property development. Total remuneration and benefits will reflect the importance of the position and the level of profits achieved.

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Those who would wish to be considered for this appointment are invited to write in strict confidence to P.T. Prentice who has been retained as adviser to the company.

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The ideal candidate should be in his late 20's or early 30's, a Chartered Surveyor and have relevant experience in international real estate. It is expected that the candidate will be able to structure loan agreements. Legal expertise is therefore necessary.

As this position requires financial analysis skills, an accounting background is important. In addition, the candidate should be able to deal effectively with clients and be willing to travel. Fluency in English is essential as well as a good knowledge of French.

All of these openings are career positions. A competitive compensation package is being offered including fringe benefits, social security and relocation expenses.

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هنا من الاصل

The Property Market

BY QUENTIN GUIRDHAM

MEPC slims down West One scheme

WITH property shares rising, the prospect of a £40m. auction for Capital and Counties' Knightsbridge Estate, Trafalgar House selling a penthouse in South Lodge for £1.2m. (an 11,000 square foot penthouse, admittedly with some of the floor below as well) and no obvious skeletons in the Peachey preliminary results, this has been a bullish week in the property market.

But as a reminder that old problems don't go away, Grosvenor Estate and MEPC have had to face the unpleasant truth that their ambitious West One scheme south of Oxford Street must for the moment be abandoned. That scheme itself was one of the relative crumbs left from the Grosvenor Estates project to redevelop large tracts of Mayfair.

The amended plan, involving pedestrianised shopping streets, much refurbishment and some new housing, fell down on a mixture of traffic problems and opposition from some of the residents. It must have anyway been considered a risky project, even with the inner rents which could be projected for shops in pedestrianised streets comparable to the adjacent South Molton Street.

So yesterday an application went in for just 68,000 square feet of shopping, to be located on three floors above the redeveloped Bond Street Underground Station, and 57,000 square feet of offices down the Davies Street frontage. There seem high hopes that consent will be won for these.

But there can be no quick start

—autumn 1978 being probably the first building opportunity because of work to be finished on the station — and Grosvenor Estate and MEPC have already made a £4.5m. contribution in land and money, most of this being the money from MEPC, to the enlargement of the station.

With the way any shop with an Oxford Street address seems guaranteed swiftly rising rents, the scheme may yet prove viable in its revised form. But there may still remain important revisions to the agreement between MEPC and Grosvenor to account for the changed climate.

Bonus £100m. for inner cities

Peter Shore, Environment Secretary, speaking in Bristol in February, stated definitely that there was "no extra money available waiting to be earmarked for inner cities." Any extra expenditure would have to come from within the totals of public expenditure already set.

Conceivably, the Budget, and the Chancellor does find £100m. from the Contingency Reserve, to be spread over the next two years, the point of this additional expenditure being to aid the construction industry, but also to help the inner city areas where the money will have to be spent.

So this is a bonus, with the sort of work in England being specified as rehabilitating old housing (the bulk of the money), but including industrial site preparation and the building of advance factories, said the Chancellor, as well as schools, community centres and the like.

network where the M1 joins the A5 and the North Circular.

With that location, ironically the main delays have centred on the immediate road access. Now a new entrance and exit system has been devised, and a planning application has been submitted to Barnet Council by Selmonds Associates and the British Rail Board in association with Alfa Romeo (Great Britain). Alfa Romeo wants to extend its existing premises next door with 25,000 square feet of industrial space, for which it has an IDC, plus 6,000 square feet of storage and 5,000 square feet of offices.

The main application is for two warehouses, one of 96,825 square feet and the big one of 150,700 square feet. There is no formal agreement yet between developers Selmonds and British Rail, but Selmonds has been involved with the site since the start of the planning saga, and there are leases drawn up dependent on consent being gained.

With Barnet, Brent (the road authority), the GLC and the Department of the Environment (particularly its transport arm) to be satisfied, it is likely to take more than a year to obtain outline and detailed approvals. In the meantime, there is the matter of tenants, since Selmonds has a history of building only on projects. But by 1978-80 the site's years of dereliction might be over.

Letting agents are Donaldsons, and Henry Berney, Meadow and Company represent Alfa Romeo.

OUT AND ABOUT

Brent railway sidings application

After a decade of delay, it looks possible that one of the plum North London warehouse sites, the former British Rail Brent sidings near Staples Corner, could get developed. The site may be a bit long and narrow, but it covers 11 acres, with a frontage of a quarter of a mile on the Edgware Road, at a significant point in the road

Little chunks of the Manchester area surplus continue to move: latest, at Station Road, Wilmslow, is the former Wall-paper Manufacturing Company building, sold at auction in the good years for £380,000, passed on for a further £200,000 and now fetching something over £200,000 for the bankers. Part of the trouble was the hope of permis-



The former Aspro Nicholas research laboratories at Bath Road, Slough, now sold to Interdata, a mini-computer company and subsidiary of Perkin-Elmer Corporation. The price, say selling agents Jones Lang Wootton, was about £500,000. The property, built in 1969, originally contained research facilities and extensive

negotiations took place with the Department of Industry and the planning authorities to get the necessary IDCs and local planning permissions. Goldstein Leigh Associates acted for Interdata and also arranged finance with a pension fund client of Smith Melzak and Co. in conjunction with Barclays Bank Trust Company.

for a complete office redevelopment on the two acre site, but what was gained in the end was outline consent for refurbishment and a change of use to up to 54,000 square feet gross of offices. Buyers were clients of Orbit Developments, who might be looking for something close to the £3.25 obtained by Francis Parker in 1974 on the building in Wilmslow by British Steel Corporation (a lease now assigned to Esso) once the scheme is finished. Selling agents were Dunlop Heywood and Co. and Conrad Ribbitt and Co. Racking Gibson and Co. introduced the purchasers.

There is talk of some further lettings in the central area of Manchester and while Grindlay will not confirm it, there is a good chance that Victory House has at last been disposed of. It was sold to the GPO. This is the 200,000 square foot gross building by Piccadilly Station, developed by the failed London

Also from Manchester, as a result of the Debenham Tewson

the Palace of Industry, Wembley.

When the single-storey premises were built in the 1930s they formed part of the original exhibition showgrounds which were subsequently converted into a trading estate to provide well over 1m. square feet of space.

Weatherall Green and Smith, who were joint agents with Edward Erdman for the letting to Soplarl, stated yesterday that they have recently been instructed to dispose of an additional 30,000 square foot unit. They also anticipate that two smaller units will become vacant towards the end of the year when existing leases expire.

The valuations committee of the Royal Institution of Chartered Surveyors has gained a notable point in English Property Corporation's acceptance that a review by independent valuers of a directors' valuation is not the right way to certify a company's property assets. EPC had followed this practice in its 1975 accounts, with Jones Lang Wootton as reviewers. It was going to do the same thing again, but when

the RICS took a hard line, and had its opinions endorsed by the inflation accounting group (EPC decided on a full external valuation. Too late, however, state the accounts for the exercise to be completed in time for the 1976 figures. So, though these show gross assets of almost £950m. (larger than the last figure for Land Securities) the investment properties valuation is one reason for the accounts being qualified. The qualified accountsants Stoy, Hayman, advisers to the British Property Federation, which was not asked to review system. Such complications may not be over yet.

EPC's news from Brussels is quite hopeful, as is Slough Estates'. EPC's six blocks total 635,000 square feet of offices and 30,000 square feet of shops. This report states that 360,000 square feet of this is now complete and half of it let. Present rental levels are not satisfactory but the continental custom of annual indexation of rents gives scope for recovery before rent reviews. Slough has sold its 67,000 square feet building in the Rue d'Arden for a figure which is said to give a profit against cost and capitalised interest prior to completion. But costs on its other block there, and on the unlet Gaumist Development in Sheffield, will be carried in the profit and loss account this year and, if not disposed of or let, will slow growth this year. The new valuation of Slough, plus additions to the portfolio, raised its property assets from £137m. to nearly £194m.

Belgrave House, part of the Grosvenor Centre, Northampton, has been partially let. The 15,000 square foot fifth floor was let to the Property Services Agency on a 21 year lease at a figure close to the asking rent of £53,000 a year for occupation by the Health and Safety Executive. Belgrave House contains a total of 88,000 square feet of air-conditioned space.

Letting agents for Belgrave House are Bernard Thorpe and Partners, Edward Erdman and Co., and Wilson and Partners.

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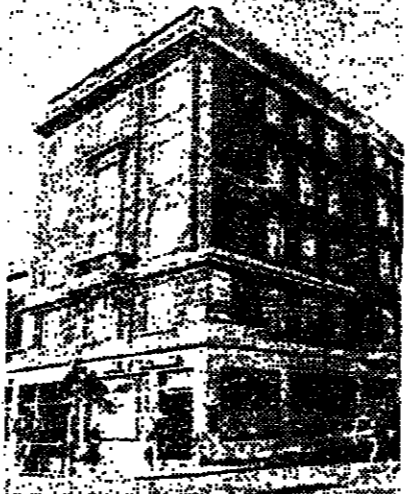
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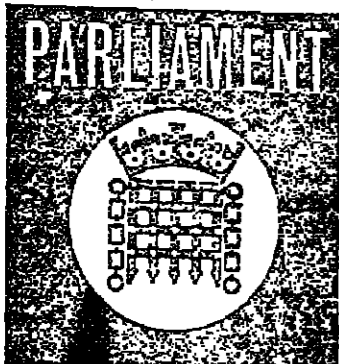
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سكدا حنا لاصول



Nimrod go-ahead a popular verdict

By Ivor Owen, Parliamentary Staff

THE CABINET'S decision to back the British early warning system based on the Hawker Siddeley Nimrod was endorsed from all sides of the Commons yesterday.

Mr. Fred Mulley, Defence Secretary, made it clear that continued uncertainty about the procurement of the alternative Boeing AWACS system by NATO has left no alternative.

Subsequent to the successful conclusion of the necessary contract negotiations, the Nimrod system would "now proceed to full development," Mr. Mulley told MPs.

He added that the Government had taken full account of the arguments put forward in NATO for further delay to enable outstanding questions on the procurement of the AWACS aircraft to be studied.

Mr. Mulley stressed NATO would have an urgently needed capability to replace the Shackletons now operating in the U.K. air defence region in the eastern Atlantic and Channel areas.

He added that the Government was confident that the Nimrod system would provide a much-needed replacement for the airborne early warning Shackletons, save hundreds of high technology jobs and provide an ongoing high technology team in this particular field, which was unique in Europe.

Mr. Mulley explained that the building of new aircraft would not be required. Eleven existing Nimrods would be adapted. This would involve considerable work and would employ about 1,500 people for about five years.

When Mr. Jeremy Thorpe (L., North Devon) suggested that the development of the Nimrod would cost no more than what would have been involved in the Boeing project, Mr. Mulley commented that it was quite impossible at the present stage to give precise figures. But he expected that the Nimrod might cost more than the share which Britain would have contributed had agreement been reached on AWACS.

He also underlined the fact that the Nimrod would have additional capacity over the sea and generate an additional 5,000 to 6,000 jobs which would not have been expected to arise directly from the AWACS programme.

Mr. Mulley told Sir Frederick Bennett (C., Torbay) that the export potential of the Nimrod was likely to be extremely limited. For this reason, the provision of further development expenditure would not be justified.

When Mr. Norman Tebbit (C., Chingford) asked if the Government's decision was irrevocable even if the NATO Council, which is expected to meet in London at the AWACS at its next meeting, Mr. Mulley said it was clear that with the funds being made available for the Nimrod project, Britain would not be able to make an equivalent contribution to another scheme.

"Nothing in life is irrevocable," the Minister added.

Next week's business
 COMMONS business next week will be:
MONDAY: Conclusion of Budget debate.
TUESDAY: Debates on teacher training (London) in Scotland.
 Mr. Agree and Mr. Hosenbally, opposed private business.
WEDNESDAY: Debate on motion to take note of the White Paper on sport and recreation.
THURSDAY: Easter adjournment debates.

Mentmore debate call
 LARGE SUMS of private money have been offered to help save Mentmore Towers for the nation, and more could well be on the way, Mr. Patrick Cormack (C., Staffordshire) said in the Commons yesterday.

But he failed to obtain permission for an emergency debate on Lord Rosebery's stately home in Buckinghamshire.

LOW MARKS FROM THE SOCIALIST JURY

BY PHILIP RAWSTORNE

IT WAS NOT only the Eurovision song contest that was on again yesterday. There was Sir Keith Joseph rehearsing Tory economic policy in the Commons.

"The old song," sneered Mr. Eric Heffer. "I have never heard such unmitigated rubbish," he added, "longing for the sound of some well-orchestrated Socialism."

Without much of an audience, it was difficult to judge the real response to Sir Keith's rendition, but it did sound too classical to make the top of the pops. And he could not explain why it had failed to make a hit in the United States.

The Tory industry spokesman, however, was so carried away by the melody that he repeated the refrain over and over again: "No subsidies, more competition, less taxation, and less Government spending. He stood back to catch in admiration the purity of the echo: the soaring freedom of the notes he had struck."

"What a time to rouse the nation from its stagnancy," he explained; to give the foe to the decades of Socialist criticism of capitalism that had led to our anti-enterprise culture.

"We must innovate," cried Sir Keith. Incentives had to be given to the risk-takers. The Government could not provide the creative force that was needed, it no longer had the necessary vision.

The performance of Mr. Albert Booth, Employment Secretary, certainly lacked flair. But he made up for it in energetic application. If his range was limited, Mr. Booth at least showed a detailed familiarity with the score.

His recital ran through all the Government's instruments to beat unemployment—the schemes for temporary subsidies, accelerated projects and selective investment. The lyrics lingered on diesel engines, electric motors, pistons and bearings.

It hardly brought Labour MPs cheering to their feet—the Liberals, for that matter. But it is not always the exciting compositions that win the prizes. Mr. Booth proudly displayed quite a few trophies.

For a net cost of around £100m, this year, unemployment would be kept to 200,000 below what it would otherwise have been, he said. The accelerated projects would bring about 70,000 man years of work from orders placed with the construction and plant and equipment industries; 13,000 permanent jobs in 1977 to 1980 and 55,000 in exports import savings.

"That is investment success with a capital S," he declared. But Mr. Booth was not complacent. The successes were still relatively minor, he recognised. He looked forward impatiently to a more ambitious and bold European employment programme very soon.

Businessmen in Britain were worse paid, higher taxed and less esteemed than in any other country. The result was the increasing shabbiness and poverty of the people of this country.

Mr. Heffer said he would be delighted if this country had a Socialist Government pursuing Socialist policies. The Labour Government must not be doing what the Conservatives come in, we would do disastrously.

Labour will never revive prosperity, says Joseph

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CHANCELLOR'S package was condemned yesterday by Sir Keith Joseph, Tory industrial spokesman, as "a mouse of a Budget," which would make very little difference to Britain's economic prospects.

Speaking on the third day of the Budget debate, Sir Keith called for measures to encourage the wealth-creators and risk-takers—the owners of businesses, managers and entrepreneurs.

This, he argued, was the only real way to reduce unemployment and create jobs. The Government strategy of intervening to assist industry and save jobs was a feeble weapon which would have a heavy burden on healthy firms and would do nothing to solve our problems.

Instead, Sir Keith wanted to see a big switch away from unnecessary Government spending in order to allow a decline in the rate of growth of money supply in 1978 and 1979 and to enable a real cut in the marginal rate of taxation.

But, he said, a Labour Government, which had preached egalitarianism for generations, could never achieve this task.

"This Government can't and won't do these things. They are imprisoned by party mythology and misunderstandings."

The Labour Party will never revive prosperity, they are out of their depth. Sir Keith maintained that the Government had still got its spending, borrowing and taxing far too high and that this was bad for the country.

It was even worse, that the Chancellor had not set, for the financial year 1978-79, a further down-rating monetary guidelines, but was apparently contemplating an increase in the rate of

amid Tory cheers. The consequences flowing from the Budget resolution being defeated should be made clear.

There were, further cheers from the Tory benches when Mr. Thatcher reminded the Prime Minister that he was heading a minority Government. "You must have taken time to consider this before the resolution comes before the House. If you know the answer now, will you tell us?"

Mr. Callaghan answered that the position was exactly the same as with any other vote. "When the Government puts a motion down, it expects and hopes it will be carried."

With the Opposition benches waving aside, this reply as inadequate, Mr. Norman Tebbit (C., Chingford), protested: "For two days now, people have been charging tax on petrol, and it may well be that on Monday night that resolution will not be passed."

The Prime Minister was equally unforthcoming when faced with a concerted attempt by Tory backbenchers to force him to answer questions on the implications of the recently agreed Labour-Liberal pact. "I don't wish to answer questions on inter-party relations," he insisted.

An attempt by Mr. Michael Bates (C., Petersfield) to force an emergency debate on Mr. Callaghan's refusal to accept responsibility for answering such questions was rejected by the Speaker, Mr. George Thomas.

Callaghan insists petrol duty increase follows usual form

BY IVOR OWEN, PARLIAMENTARY STAFF

DESPITE PRESSURE from Mrs. Margaret Thatcher, Opposition leader, in the Commons yesterday, the Prime Minister refused to be drawn into disclosing any contingency plans made by the Government for the event of the Budget resolution imposing the additional 5p on petrol duty being defeated on Monday night.

In his customary relaxed manner, Mr. Callaghan argued that the situation was no different to that when tax increases had been made in earlier Budgets.

"We will put the resolution before the House and we expect it to be carried. There would be very serious consequences if it were not," he said.

This did not satisfy Mrs. Thatcher, who wanted to know the consequences—in the event of the resolution being defeated—for all those who had either sold petrol or bought petrol since Tuesday's Budget.

"This is an important constitutional question," she declared, "and I am sure you will not be put in a position where you will have to say that you do not know the answer."

Mr. Callaghan recalled that it was normal form for increases in tax, such as that imposed on petrol, to be given immediate effect after the Budget.

"It is always subject to ratification by the House at the end of the Budget debate. This is the normal practice, which will be followed on this occasion."

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IT WILL be disastrous for the nation if moderate police leaders were replaced by those who wanted to take industrial action in support of their pay claim, Mr. E. Denis Griffiths (C., Bury St. Edmunds) said in the Commons yesterday.

Mr. Griffiths, Parliamentary adviser to the Police Federation, added: "We are facing a particularly serious situation. There is not much time left before the moderate leaders of the Federation are replaced by those who would follow the bad example of other occupations and take industrial action to pursue this claim."

Mr. E. Denis Griffiths (C., Bury St. Edmunds) said in the Commons yesterday that he was asking him to break the pay code. The alternative was to negotiate within the code.

Mr. Robert MacLennan, Under-Secretary. Three studies have been completed in this period. One, on funeral charges, was published on March 24. The reports on recommended retail prices and on soft drinks and on beer for consumption on premises are being published shortly. In addition, the Commission reported, in their latest quarterly report published in January, on two matters which they are required to keep under review, fresh food prices and potato prices.

A report on a third matter, the effects of metropolitan on retail prices, will be available shortly.

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MP warns on police pay claim

BY PHILIP RAWSTORNE

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Labour NEWS

BY DAVID CHURCHILL, LABOUR STAFF

Union warns Leyland against buying IBM equipment

BIRMINGHAM LEYLAND has been warned by a major trade union, says that it was made clear to the company that "under no circumstances would this union co-operate with the installation, operation or servicing of any IBM internal telephone equipment purchased by the Truck and Bus Division."

The warning has come from the Electrical and Plumbing Trades Union, one of four unions using the recognition provisions of the Employment Protection Act to try and force union recognition at Leyland. Yesterday IBM's 13,500 employees throughout the U.K. took part in a ballot organised by the Advisory Conciliation and Arbitration Service to determine whether there was sufficient support for union recognition.

The result of the ballot, carried out as part of a Section 11 claim under the Act, will not be known until June when ACAS is expected to report on the demands for union recognition. The EPTU's warning to Leyland is concerned with the Truck and Bus Division's plans to buy a new internal telephone system. It is believed to be one of the systems under review by Leyland.

A letter sent last year to the EPTU shop stewards at Leyland, warned by a major trade union, says that it was made clear to the company that "under no circumstances would this union co-operate with the installation, operation or servicing of any IBM internal telephone equipment purchased by the Truck and Bus Division."

The EPTU's white collar section which is seeking recognition at Leyland last night, that his association had not been involved in the Leyland talks. But he claimed that IBM's refusal to recognise unions meant that its commercial future was at risk as other companies would be reluctant to buy their equipment.

"This is a fact of life for Leyland," he added. "If it does not accept the union's claim for recognition then the future of the company is very bleak."

Power union recruiting drive hit by TUC

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE ELECTRICAL Power disputes are outstanding. Both Engineers Association and the Association of Scientific, Technical and Managerial Staffs will argue that the EPEA has no place in private engineering, since it is not a party to agreements with the nationalised electricity supply industry, the TUC disputes committee has told the union it has contravened procedure by seeking to organise staff at GEC Reactor Equipment at Weststone, near Leicester.

The EPEA had complained that another TUC affiliate, the staff section (TASS) of the Amalgamated Union of Engineering Workers was blocking a recognition claim under the Employment Protection Act.

But the committee has said the EPEA must stop recruiting professional engineers and senior staff at the company and should advise its members there to join TASS. They should not pursue the recognition claim.

"As a result, the unions will probably meet the TUC to discuss the problem over the whole field, where a number of other agencies will be treated normally. In addition to the overtime ban, called at a special union conference last January, NALGO members will continue with their policy of not carrying out extra duties caused by local councils failing to fill vacancies created by staff who have left. The union estimates that there are some 70,000 unfilled vacancies in local government."

Many authorities have cut services, instead of filling jobs, but the amount of overtime worked has increased, which will make the NALGO ban considerably more effective.

In a circular sent to branches yesterday, the union again gave details of the ban. It defined overtime as all hours worked above the standard working week and gives local branches the power to determine exceptions to the ban created by committees. Where staff, such as committee clerks, work in the evening they must take the equivalent time off before the end of the working week. The union has also told members that the ban must not interfere with local elections or a general election.

Output since the resumption has varied considerably but on average is little different from the 38 tractors a shift achieved in November and December—a level which prompted management to meet on December 20 to take disciplinary action against the cab assemblers.

Resentment over toolroom review

BY ARTHUR SMITH, Midlands Correspondent

THESE ARE doubts that Leyland Cars manual workers will back the working party to be set up to examine industrial relations problems.

Mr. Varley, the Industry Secretary, has made it clear that radical improvements in labour relations must be made before the company seeks the next tranche of about £200m. State loan in the summer.

Resentment is mounting among members of the Amalgamated Union of Engineering Workers at the representation of the AUEW national executive has given to toolmakers. Three of the six AWES seats on the 27-working party have been allocated to tool room representatives, Mr. Derek Robinson, the Communist chairman of the unofficial but powerful British Leyland stewards combine, has not been invited.

Once the AUEW has officially informed branches of the composition of its team, Leyland workers are likely to send resolutions to districts and counties complaining about the imbalance.

"This review is supposed to be concerned with the pay problems of all Leyland manual workers not just the tool-makers," a senior member of the Coventry district committee, said last night.

The Transport and General Workers Union has still to select its 11 delegates. Mr. Eddie McGarry, a leading TGWU convenor, said last night the only way to get the confidence and support of the Leyland workforce was to elect delegates.

He thought the issue would be raised at a meeting of all Leyland Cars stewards to be held at Longbridge in the next two weeks. The gathering has been called for the report back of an ad hoc committee under the chairmanship of Mr. McGarry, which has made a fringe benefit deal with management.

The deal was unexpectedly rejected by the workforce and the working party has failed to get further significant concessions from management.

Shop stewards have agreed to redeployment of labour and steps to raise engine production in an effort to restore output of the present Mini and of the Allegro. Production has been disrupted by a number of workers resigning from Longbridge and low output of engines at the plant.

About 400 workers left Longbridge during the damaging four-week toolroom strike and resignations are continuing at about the same rate.

The unions successfully fought management proposals that output of the Mini should be phased down from 3,500 a week to about 3,000 and the Allegro from 2,000 to 1,850. Such a move would have been necessitated purely by production problems at Longbridge as workers are crying out for supplies.

New move to end Massey output dispute

BY OUR MIDLANDS CORRESPONDENT

TRADE UNION officials have been called into Massey Ferguson's tractor plant, Coventry, in a new move to resolve the dispute which provoked a bitter 11-week strike. More than two weeks after the return to work, 136 cab assemblers are still not meeting the company's output target of 48 tractors a shift.

The company declined to comment last night on what it described as a "very delicate situation." Discussions are continuing with local union officials and national officials can be involved before the procedure is exhausted.

Output since the resumption has varied considerably but on average is little different from the 38 tractors a shift achieved in November and December—a level which prompted management to meet on December 20 to take disciplinary action against the cab assemblers.

Steelworks rundown goes on

TBE-PART TALBOT steelworks was slowly grinding to a halt yesterday with no signs of a let-up in the unofficial strike by 580 electricians. All steel and iron production has been halted and the plant will officially shut down on Sunday morning leaving 3,500 idle.

Only the 4,000 white collar staff and the safety men will report for duty next week.

Redundancy move

Over 500 workers in the Clyde bank firms of JBE Offshore, offshore modula manufacturers, have been given 90 days notice of possible redundancy. The move follows the steady decline in orders which has affected the offshore industry since 1975, which has a workforce of 850, has also been hit by the recession in North Sea development.

Hospitals row

Fresh trouble broke out yesterday at two of the Surrey hospitals hit by a strike. At St. Mary's Hospital, Epsom, also domestic staff, not involved in the strike, stopped work pending a full explanation by their shop stewards of the agreement to end the strike.

Filton dispute

More than 2,000 hourly paid workers at the EAC factory at Filton, Bristol, home production base of the Concorde, are starting an overtime ban in protest against forthcoming redundancies.

Lloyds' scheme needs approval of shareholders

BY MICHAEL BLANDEN

PLANS FOR Lloyds Bank to introduce a profit-sharing scheme for employees would have to be approved by the shareholders since it would reduce the profit distributable to them, Sir Eric Faulkner, the chairman, explained at yesterday's annual general meeting.

Mr. Leif Mills, general secretary of the National Union of Bank Employees, had pressed for an indication of the possible time-scale for introducing a scheme.

Sir Eric replied that he could not indicate the time scale, which would depend in part on the conditions of the official pay offer. But he noted that the possible time-scale for introducing a scheme.

July 10 1970

The Management Page

GEOFFREY OWEN reports on why a leading U.S. industrialist, unhappy about social trends in Europe, feels his company has the right approach to the motivation of people and to raising productivity

An alternative route to participation

THESE IS a growing conflict between American ideas about how business should be run and those in Europe. Many Americans fear that the increase in trade union power together with Government policies designed to maintain job security, may undermine the basis for efficient and profitable industry.

Mark Shepherd, chief executive of Texas Instruments, is unhappy about the way things are going in Europe. The company has announced a far-reaching programme of restructuring, including the loss of 10,000 jobs, to meet the challenge of a more competitive market.

Shepherd's financial goals are summarised on this page. Shepherd puts great stress on "asset effectiveness", getting the maximum amount of sales and profit out of a given amount of assets. But "asset effectiveness" can only be achieved if there is also "people effectiveness" and this depends on motivation.

Individuals are motivated when their personal goals are being met, when they have a real sense of involvement, when they can contribute their unique talents and abilities to a job and when they are recognised for their achievements.

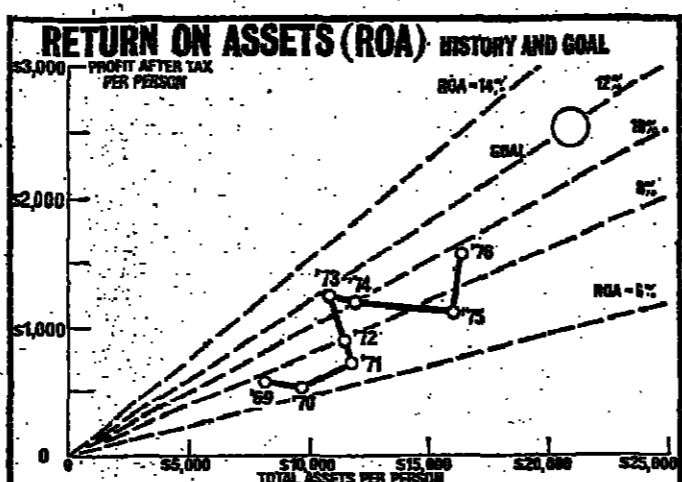


TABLE 1.

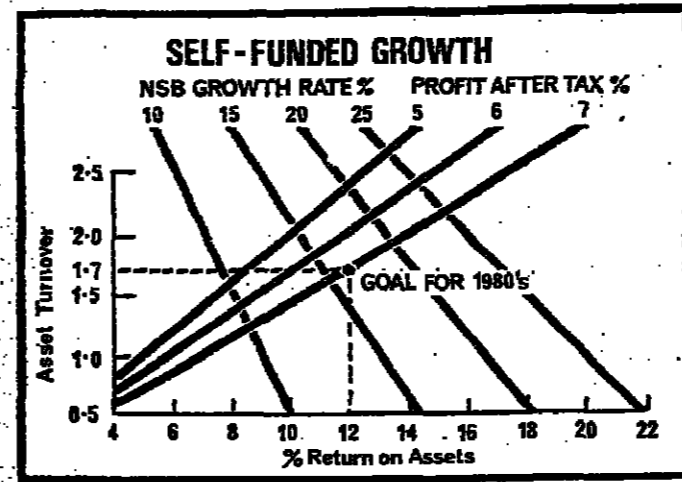


TABLE 2. NSB—Net sales billed (turnover)

RETURN ON ASSETS %	PEOPLE EFFECTIVENESS INDEX					
	2.0	2.6	2.7	2.9	3.1	5.0
3.5	0	0	0	0	0	0
9.4	4.4	5.6	5.8	6.2	6.6	10.4
11.6	5.8	7.0	7.2	7.6	8.0	11.8
11.8	5.9	7.1	7.3	7.7	8.1	11.9
12.0	6.0	7.2	7.4	7.8	8.2	12.0
15.0	10.0	11.2	11.4	11.8	12.2	15.0
17.0	14.0	15.2	15.4	15.8	16.2	20.0

Goal for 1980's: 8.2

TABLE 3.

Critical of absenteeism

Shepherd is especially critical of absenteeism which, in some European countries, is "encouraged by lenient administration of socialised health programmes". In Holland, absenteeism is a much greater problem than in the U.S. because of the "part-time" work schedule. He says that in Asian countries, he has to make them "in that sequence."

One aspect of what Shepherd calls "people effectiveness" is the team concept. Teams of natural work groups set their own improvement goals and measure their progress against them. In Germany, for example, a group of people involved in scheduling, planning, raising productivity and in ing customer orders set out to enable individuals to do reduce the entry error rate from 1.6 per cent to 0.5

per cent over a seven-month period. Each person's task was worked out in detail by the team members themselves; an error rate of 0.4 per cent was achieved by the agreed date. Shepherd says more than 85 per cent of TI's worldwide employees are participating in some kind of team programme.

TI makes extensive use of attitude surveys to measure such factors as employee morale, pride in working for TI, how the employees perceive the company and its management, job security and career opportunity. Last year more than 38,000 employees in 31 locations participated in attitude surveys. "Results are reviewed at scheduled meetings. Corrective action programmes are required and follow-up reviews conducted. The best improvement programmes are those that are developed and implemented by teams of employees rather than management."

Opportunity for rewards

Central to the company's philosophy is the "success sharing" system, which provides employees with the opportunity for personal financial rewards as TI meets its goals for

stable growth. The programmes include pension plans, profit sharing in the form of TI stock and a stock option purchase scheme.

Profit sharing is based on TI's world-wide turnover, profits, payroll and assets. The relationship between return on assets, the people-effectiveness index (turnover divided by payroll) and profit sharing as a percentage of earnings is described alongside and illustrated in table 3.

To improve the people effectiveness index, net sales per person must increase faster than average pay per person. The index has been edging upwards from about 2.25 in 1969 and the goal is to reach 3.1 during the 1980s.

In 1973, a very good year, the people effectiveness index was 2.5 per cent and the return on assets was 11.4 per cent. This meant, by reference to the formula shown in Table 3, that the amount of money available for profit sharing was 6.7 per cent: for each employee the company sets aside an amount of money equivalent to 6.7 per cent of his annual salary to buy TI shares. These shares are held in trust for each employee until he retires from the company or leaves; thus the scheme is designed to provide, not an immediate addition to salary, but a form of long-term investment and a means of identifying the

employee's interests with those of the company.

"We believe," says Shepherd, "the people effectiveness index motivates employees to strive for productivity increases because of the direct tie to profit sharing." The intention is that employees should own about 25 per cent of the company by the early 1990s.

Shepherd points out that the TI stock earned through profit sharing, coupled with other success sharing programmes, can produce substantial long-term security for career-minded TI employees. "Everybody wins when we do the job right." He shows how these programmes worked for 143 employees who

A system for monitoring financial goals

TEXAS INSTRUMENTS has a (last year's profits were \$97m.) policy in view of the competition in which TI has calculated that if these financial targets are met it has the financial capacity to grow at a rate of 16 per cent over, which it aims to do by assets of \$1.77bn. the "asset a year on a "self-funded" basis, 1980—last year's figure was turnover" is 1.7 times. If it that is, keeping the debt-equity ratio constant at a conservative level.

"The value of good asset management," Shepherd has told TI's shareholders, "is not fully appreciated by the market. Organisations with weaknesses in this area of management face constant issues of new equity or increases in debt-equity ratio, especially if they are in high-growth-rate markets."

TI's principal measure of labour productivity is the return on assets of 12 per cent. For implementation of some of the schemes, Shepherd emphasises that the driving force behind all these programmes is the determination to increase the productivity of people and assets. "As throughout the world; TI has about 66,000 employees in 18 countries. At present about 66 per cent of TI's employees are covered by the total success sharing package and the cover- cent by the end of this year. However, in several countries there are legal obstacles to the

which is the value of net sales billed, or turnover, divided by payroll costs. Thus in 1976 turnover was \$1,659m. and payroll costs were \$639m., so that the people effectiveness index was 2.6.

For the purposes of the profit-sharing system, this index is plotted against return on assets as shown in Table 3. If the people effectiveness index is 2.6 and the return on assets is 9.4 per cent, then profit sharing is 5.6 per cent. This means that for each employee the company sets aside an amount of money equivalent to 5.6 per cent of his salary to buy TI shares. The goal for the 1980s is 8.2 per cent profit sharing, based on a people effectiveness index of 3.1 and a return on assets of 12 per cent.

A FINANCIAL TIMES SURVEY

WORLD BANKING

To be published in two parts:
on Monday, April 25 and
Monday, May 2.

The Financial Times' annual World Banking Survey is one of our major and most important surveys, and has been published every year since 1959.

In that time, it has earned itself an international reputation as a valuable summary of all that has happened on the banking, financial and economic fronts during the past twelve months.

The subjects covered are both wide in their scope and authoritative in their content—hence the need to publish this survey in two parts.

The survey will, as always, be of immense interest to bankers, industrialists, economists and government departments in more than 120 countries around the world.

The proposed publication dates of the survey are Monday, April 25 and Monday, May 2. For further information about this survey, the proposed editorial matter, copy date and advertising rates contact:

Helen Lees, Deputy Overseas Advertisement Manager, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000. Ext. 238. Telex: 885033.

FINANCIAL TIMES
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The mysterious challenge to Mobutu

to Mobutu

By BRIDGET BLOOM, Africa Correspondent

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF Telephone Day & Night: 01-546 8000. Telegrams: Financial Times. London. Telex: Editorial 838341/2, 838387 - Advertising: 835633

The floater arrives

IF WEDNESDAY was an active day for the gilt-edged market in the sense that prices rose very sharply in response to the Budget proposals, yesterday was an active day in a different sense. Some prices did indeed rise some way further, but it was a spate of news directly concerning the gilt-edged market which made the day extraordinary.

Variable rate The floater, which will offer a variable return tied to but slightly higher than Treasury bill rate, is designed to achieve with a rate of interest that would vary with Treasury bill rate — the long-discussed floating bond.

Spreading out The forcing of the discount market into the Bank for seven days at the new rate and the announcement of a new short tap should help this consolidation at the short end of the market, but the form of the new tap has an additional significance. It is another instalment-plan issue, and though, as in the case of its predecessor, this may attract a certain amount of interest, the real aim is to spread out sales of stock to the public.

President Carter must try again

THERE ARE two schools of thought as to why the negotiations on strategic arms control which Mr. Cyrus Vance, the U.S. Secretary of State, has been conducting in Moscow have ended in failure.

Setback There is as yet no hard evidence either way. The fact that the Russians agreed to the setting up of a number of U.S.-Soviet study groups—some of them on highly sensitive subjects such as the transfer of conventional weapons to third countries—suggests that Moscow is still more than interested in pursuing the dialogue.

Good faith The time, however, cannot be unlimited. "Obviously," President Carter said at his Press conference, "if we feel at the conclusion of the next month's discussions that the Soviets are not acting in good faith with us, and an agreement is unlikely, I would be forced to consider a much more deep commitment to the development and deployment of additional weapons." Not many people want that to happen.

BUT FOR THE serious implications for a huge and strategic area in central Africa, it would be tempting to describe the three-week-old invasion of Zaire in terms of Beau Geste or John Buchan. A motley force of some 2,000 black soldiers of fortune, who have fought over the last 17 years in turn for Katangese secession, Portuguese imperialism, and a Marxist dominated African guerrilla movement, launched themselves on March 10 into a remote corner of Zaire.

At first, nobody seemed to take them very seriously, certainly few knew what they were doing. No reporter has found them. Yet three weeks later, with almost no fighting, they have apparently got control of half a dozen towns and pose a serious threat not only to one of the world's major copper producers, but to the stability of the Zaire Government itself.

Clutch of neighbours

Zaire, ruled by the U.S.-backed President Mobutu for a decade, could conceivably be threatened with a repeat of the chaotic unrest of its early years as the Congo. Its copper industry, and its foreign exchange earnings, could be in jeopardy, while the drama threatens to embroil a clutch of neighbouring African states, including Zambia and Angola, whose Cuban-backed army, Zaire has alleged, is involved in the invasion.

There are very few ascertainable facts about the force, its backers, its conquests or its aims. "There's a fog of confusion," a diplomat from a western embassy admitted. Its nearest reporting post is 300 miles from the scene of the action, and its main information must come pieced together from Zaire Government, diplomatic, intelligence, missionary and mining company sources.

MEN AND MATTERS

Creative Vultures Limited

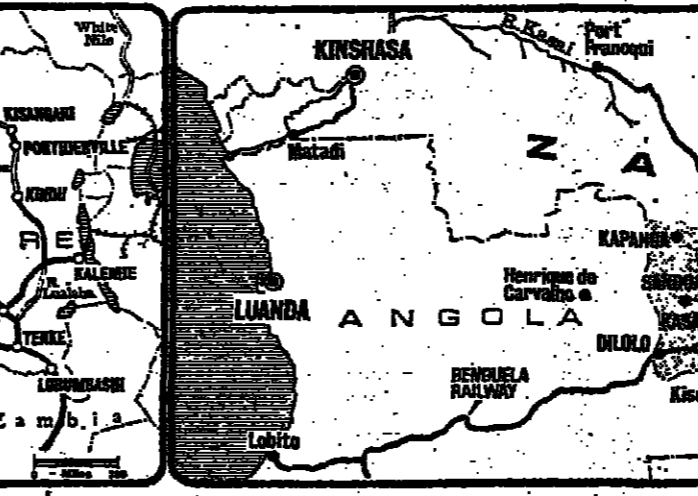
Is there life after passing into receivership? That is the question which has been exercising the mind of two young men about the City, Michael Carlton and Keith Whitten, who have spent the last two years unravelling the tangled financial affairs of Consolidated Commercial Company, a bizarre conglomerate formerly controlled by old-Etonian self-controlled dunces Andrew Gordon.

The two became interested in Consolidated back in 1975, when Carlton was acting as adviser to Peter Brewer who, among other interests had a stake in gravel pits and slag heaps and the Lancia dealership in South East London, and Whitten was at Brewers bankers, Italian International. Looking for excitement Brewer decided to buy the Aberdeen based publicly-quoted investment trust and granite quarry company Rubislaw Investment Trust as a vehicle for reversing into Consolidated Commercial. He was attracted by the potential of Consolidated's food interests, particularly food distributors and wholesalers Peek, Winch and Tod and Liverpool Grain Storage and Transit.

As the new owner shortly found to his cost, however, Consolidated proved to be a classic case of worms. The worms included a New York hotel, and Long Island real estate to which no clear proof of ownership could be attached, vastly overpriced antiques and furnishings, a Singapore ceramics company, a technically and economically disastrous baking oven, and a Nigerian biscuit company which was profitable, but for reasons connected with local business methods, could only be disposed of at a substantial discount to a local Chief with political weight.

ing for their own ends (perhaps another Katanga secession, or even to try to engineer the overthrow of the Zaire Government of President Mobutu), or whether they are the cat's paw (as President Mobutu has alleged) of the Angolans, themselves heavily backed by the Cubans and the Soviet Union.

It seems clear that they could not have invaded Zaire without the knowledge and tacit support of Angola, if only because Angolan and Cuban troops are apparently still active in the border area, and because the Katangans originally needed Katangans and other logistic support from Angola. Neither is it difficult to see why the Angolans themselves, or the Cubans or Soviets, might encourage the invasion. The MPLA has reason to dislike and distrust President Mobutu, who supported the FNLA/Unita coalition during the Angolan civil war, and who



River and Rail Routes. C.A.R. KINSHASA. ZAIRESHABAS. LUANDA. ANGOLA. ZAMBIA.

certainly to its success so far. It seems certain that the majority of the soldiers are Lunda from southern Shaba (formerly Katanga) who formed the backbone of the gendarmerie formed by Moïse Tshombe in 1961 to uphold the secession of Katanga from the former Belgian Congo. When that ambition collapsed in 1963, the remnants of the force fled to Angola—where for ten years they fought in Katangan units, alongside the Portuguese colonial army. They switched allegiance after the coup in Portugal, and joined (still in their own apparently well organized units) the MPLA in its fight against the rival Unita and FNLA in last year's civil war in Angola.

This about turn shows that the Katangans have little ideological motivation. Their own aims are unclear, beyond their obvious penchant for a fight and their presumed desire to return to their own homes. Their initial successes are certainly partly explicable by their having moved through their own tribal areas. The first key question is whether they are fighting for their own ends (perhaps another Katanga secession, or even to try to engineer the overthrow of the Zaire Government of President Mobutu), or whether they are the cat's paw (as President Mobutu has alleged) of the Angolans, themselves heavily backed by the Cubans and the Soviet Union.

It's enough to drive you to drink! LANDLORDS OVERLOOK FOR TONICS AND FRONT JUICES

Mitchell's move Sir Derek Mitchell's decision to move from heading the overseas finance side of the Treasury to the board of Guinness Mahon only three weeks after Alan Lord announced departure for Damoc, spotlights the holes appearing in the top structure of the Treasury. There is apparently no question of any difference of opinion on policy behind Sir Derek's move, though he clashes with Lady Falkender in the mid-1960s when he was Principal Private Secretary to Sir Harold Wilson.

Assay, Assay Britain's small jewellery manufacturers are in revolt at what they term "excessive delays" in hallmarking their pieces by the Assay Office. Some City jewellers complain of delays of up to three weeks compared with the normal two to three days, getting their pieces marked, and that means the expensive enforced tie-up of their capital.

It is Benguela railway. There has been heavy medium term borrowing (much of which, with sales of military fuel to civilians, western banks, has now been rescheduled to offer some short term alleviation). A 40 per cent devaluation was carried out last March. Raging inflation has fuelled political dissatisfaction in the towns and the countryside, where a corrupt bureaucracy (and unpopular army) could well impair the tough stand needed from it now.

But there are deeper problems in the Zaire army which could well impair the tough stand needed from it now. "Anyone who possesses a parcel of authority," the courageously outspoken Archbishop of Lumbumbashi, Mgr. Kabanga, Angolan civil war last year, and partly because of the ramifications of an attempted coup 18 months ago, which, while nipped in the bud, resulted in jail sentences of between six months and 25 years on over 20 senior officers, most of whom were from the Baluba tribe of north Shaba and Kasai.

Explosively diverse

Beyond the immediate question of the invasion perhaps the most serious problem is what has been termed Zaire's fundamental ungovernability. Almost the size of Western Europe (with only minimal infrastructure) it is ethnically probably more diverse than Europe but far more explosively so. The early years of independence showed that a disturbance in Katanga provoked moves against the central Government elsewhere. The Baluba of northern Shaba and Kasai rarely make common cause with the Lunda; there is a very small but undefeated guerrilla movement along the Tanzanian border; exiled opposition movements, whether from Kivu, where the white mercenaries were finally defeated, or Kisanjani (the Lumumbist stronghold), or officers trained abroad (around a dozen are at Sandhurst) have tended to be kept in managerial rather than command positions. The overall effect has been to render the army inefficient and perhaps unreliable.

Together with this military weakness one must take account of the serious economic situation facing Zaire, as well as widespread political dissatisfaction which, while largely hidden, could easily come to the surface if President Mobutu's essentially dictatorial regime were seen to be seriously threatened.

Zaire has suffered in the last three years from the combined effects of low copper prices, rising oil prices, and world inflation—problems worsened by the closure since 1973 of the major copper export route along the

Advertisement for Edward Erdman Property Valuation. Includes text: 'You can prepare your own Property Valuation', 'but', 'What do you know about valuation for current cost accounting?', and 'Edward Erdman' logo.

Handwritten Arabic text at the bottom of the page.

الجمعة 1 أبريل 1977

POLITICS TO DAY

BY DAVID WATT

POLITICAL AWARENESS OF SCHOOL LEAVERS

(From a Hansard Society Survey of 4,000 people) IDENTIFICATION OF PARTY POLICIES

Education for democracy

PROFESSOR JOHN KENNEDY the training of leaders for... the training of leaders for... the training of leaders for...

NEWSPAPERS READ

Table showing newspaper readership statistics: Guardian, Telegraph, Times, Other, Sun, Mirror, Express, Mail.

DAILIES

Table showing frequency of reading dailies: Everyday, 4-5 times a week, 2-3 times a week, Once a week, Occasionally, Never.

FREQUENCY OF LISTENING AND VIEWING NEWS BROADCASTS

Table showing frequency of listening and viewing news broadcasts: Television news, Radio news, At least everyday, 4-5 times a week, 2-3 times a week, Once a week, Occasionally, Never.

WATCHING CURRENT AFFAIRS PROGRAMMES

Table showing watching current affairs programmes: Panorama (BBC1), This Week (ITV), Nationwide (BBC1), World in Action (ITV), Man Alive (BBC2), Weekend World (ITV), Newsway (BBC2).

its way into the schools in the most patchy and haphazard fashion... is that knowledge and interest sharply increase as the issues get nearer home.

one immediately invites the helpless laughter and derision of anyone who has tried to teach a class of 14-year-olds in the lower streams of comprehensives... The latest evidence on this point is contained in a forthcoming report by the Hansard Society...

is that knowledge and interest sharply increase as the issues get nearer home. The table showing the identification of responsibilities for local services is quite impressive particularly where the local council is concerned.

Table 1: Identification of Party Policies. Columns: Cons., Lab., Lib. Rows: Taxes should be cut, Govt. should take over, Govt. should create more Comprehensive Schools, etc.

Table 2: Identification of Responsibilities for Local Services. Columns: Who is responsible for, Government, Council, Regional Board, Not sure. Rows: Water supply, Social security, Refuse collection, etc.

Table 3: Most Serious Problems. Columns: Type of problem, Sample, Adults. Rows: Cost of living, prices, Industrial relations, Unemployment, etc.

heard making occasional speeches on the subject, and at research. It is even possible that Mrs. Shirley Williams's discussion conferences on education are looking up for one of the issues was very patchy.

Letters to the Editor

Mortgage rates

From the Deputy Chief General Manager, Nationwide Building Society... Sir, the letter from Sarah and Robert Holland (March 31) contained some misleading conclusions based on extracts from the latest Nationwide Building Society annual report...

Some sort of a measure

From Mr. K. Bond... Sir, I read with some interest the letter of March 30 on Milk and Mail charges...

Relative values

From Mr. S. Duggan... Sir, Mr. E. S. Gray (March 29) seeks to persuade us that because the average wage has risen 20% since 1967 then postage is now relatively cheaper than 40 years ago...

Exacerbating inflation

From Signor Pietro Manes... Sir, with reference to the current debate on monetary policy and interest rates, I express a rather unorthodox view... I believe that some of our countries are going bankrupt because economics is enslaved to the myth that monetary policy is not to be used...

Milk and mail charges

From The Director, Public Relations, Post Office... Sir, in comparing milk and mail charges, I am afraid the standards of Creamline Dairies (March 30) has missed the point...

The price of tea

From Mr. J. Tanner... Sir, the high auction price of tea presents a tremendous opportunity for raising standards of living in some of the poorest developing countries...

To-day's Events

- 11.30. Cornercroft, Coventry. 12. Marchwiel Holdings, Chester. 10.30. Morrill (Abe), Redditch. 10.30. Northern Foods, Hull. 12.30. River and Mercantile Trust, 44, Bloomsbury Square, W.C. 12. West Coast and Texas Regional Investment Trust, 20, Birch Lane, E.C. 12.30. Witter (Thomas), Witnell, Chorley, 12.

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Fuel saving techniques

From Mr. R. Marsh... The Chancellor in his Budget speech (March 30) has stressed that "North Sea oil will not last for ever" and that Government policy is to encourage the use of alternative fuels...

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BP expenditure outlook

Authorised future capital expenditure by the British Petroleum Group is estimated at **£2,100m.** This compares with **£2,000m.** for 1976, and **£1,800m.** for 1975. The 1976 report and accounts included **£1,700m.** and included the continuing heavy cost involved in the **£300m.** of developing new offshore production facilities in the North Sea and Alaska. A total of **£800m.** went in production and exploration.

A statement of sources and applications of funds shows a **£225m.** surplus in working capital and **£332m.** liquid resources dropped by **£118m.** (**£187m.**)

In their report, the directors say that with the continuing increase in production from the **North Sea** during the year it is expected that the balance available to fund development projects will be **£250m.** from the group's North Sea oil activities in 1976. This figure will be significantly higher for 1977 as production from the **North Sea** approaches its maximum level, production of **90,000** barrels per day.

Exports of oil products and chemicals from the UK were valued at **£3,500m.** and **£1,100m.** respectively. These figures by themselves are not indicative of the group's contribution to the UK balance of payments.

Product prices were slow to react in the latter half of the year and the group did not recover the rise in its crude oil costs until well into 1976. This meant that recoveries from the market in certain European countries have been insufficient to generate any return on transportation, refining and distribution facilities — a situation which has persisted since **1974-5.** they add.

In a statement, Mr. David Steel, the chairman, warns that even in Britain, the expected self-sufficiency in the 80s may not last much beyond 1990. There need not be shortages, provided the necessary decisions are taken now. Profits must be made and reinvested in the next few years, in order to develop new sources of both conventional and unconventional oil and gas reserves.

He recognises the short-term need for restraint in the UK in the effort to reduce inflation, and the difficulties associated with the monetary policy on **£7.50m.** UK retail customer sales were up 15.5 per cent. at **£19,282m.** in the long run — we and other British companies cannot hold our own against our foreign competitors unless we can address the market.

Stronger demand boosts Lucas

REFLECTING strengthening demand for the company's products, pre-tax profit of vehicle and aircraft accessories manufacturers, **Lucas Industries**, jumped **£13.64m.** to **£34.97m.** in the six months to January 31, 1976. Mr. Bernard Scott, chairman says that progress is continuing and subject to any major upsets he expects the improved performance to be maintained in the second half.

First half earnings are in front of 1975 by 17.16p per £1 share and the interim dividend is stepped up from 1.5158p to 2.122p, reflecting the basis agreed for the rights issue last May. The total payment for the year 1975-76 was 7.36p from profits of 53.82m.

EXTERNAL TURNOVER

£ mils	1975	1974	1973
External sales	116,237	107,537	119,737
Trade	6,715	11,158	11,158
Trading profit	3,544	24,314	30,200
Share of associates	1,309	1,187	1,223
Finance income	2,198	2,232	1,768
Dividend	4,908	7,247	4,908
Profit before tax	24,072	24,028	35,962
Tax	10,014	10,744	11,020
Pre-tax profit	14,058	13,284	24,942
Minority profits	773	799	864
Amortisable	3,688	2,923	2,794
Total	18,237	17,813	30,400

Kleinwort, Benson, Lonsdale Limited

"Consolidation and Progress"

A summary of the Statements by the Chairman of Kleinwort, Benson, Lonsdale Limited, Sir Cyril Kleinwort, and the Chairman of Kleinwort, Benson Limited, Mr. Robert Henderson, in the 1976 Report and Accounts. It is encouraging to be able to report that the profits of the Group have again increased after yet another difficult year, and on behalf of shareholders I should like to congratulate all employees of the Group on this achievement. I say this with particular feeling as initiative and inventiveness are the necessary qualities required to attain these results, given the background of discouraging economic conditions internationally.

The Directors recommend the declaration of a final ordinary dividend of 2.17889p per share, which, with the interim dividend of 1.51 p per share paid in November, makes a total of 3.68889p per share for the year compared with 3.46p per share for 1975.

CYRIL H. KLEINWORT

Kleinwort, Benson Limited

In the unsettled financial markets of recent years, the ability to adapt to changing conditions, which has been important throughout the history of merchant banks, was again demonstrated in 1976. I am therefore pleased to be able to report a year of consolidation and of progress.

A particularly satisfactory aspect of our banking activities has been the increase in sterling acceptance credit and loan facilities which we have made available to British companies to finance working capital and investment. Despite the difficulties caused for London based banks by the restrictions which have been imposed to defend a debilitated currency, our banking business earned profits in 1976 appreciably higher than those of any other year, notwithstanding the degree of caution we have been exercising in selecting the area and credit risks undertaken, and the conservative position adopted by our money desks in financing them.

The activities of our Project Department were expanded in 1976. Contracts were concluded covering around £142 million of finance for exports of British goods and services to four countries. Advisory assignments relating to large projects continued with the Governments of Hong Kong and Venezuela, and new advisory contracts were entered into with an agency of the Iranian Government and with private clients in Britain, Italy and Japan.

The year has also been a successful one for our Investment Division. We have increased the funds under management, and the income we derive from this business is significantly above last year's level, while direct expenses have been contained. The funds which we advise, comprising investments in the United Kingdom and overseas, including our offshore funds, have again done well this year.

The Corporate Finance Division had a record year in terms of revenue earned. The flow of rights issues which began in the second half of 1975 continued through the early part of 1976 and this was followed in the latter half of the year by a renewal of merger activity in which we played an active part. More money was raised on the Eurobond market in 1976 than in any previous year.

During the year, the Hamilton Brothers consortium drilled a further production well in the North Sea which enabled the output from the Argyll Field, in which we hold a 22 1/2 per cent. interest, to be increased to an average of 22,000 barrels per day. We anticipate a significant continuing revenue from this source for the next few years. Despite the reduced activity in the precious metals markets in 1976, Sharps Pixley, our bullion dealing subsidiary in London and New York, again produced satisfactory results. Our 51 per cent. owned subsidiary, Sharps Pixley Wardley Limited, commenced business in Hong Kong in March 1976 and has made an encouraging start. The commodity trading and broking subsidiaries both produced record profits.

Our overseas offices have all had an active year. The companies in Jersey and Guernsey have again achieved excellent results, with those in Belgium and Switzerland also earning increased profits. In the Middle East, the reorganisation of our activities is bearing fruit in a number of fields.

At the end of 1976, we completed an agreement with Goldman, Sachs & Co. and their investment management team, as a result of which Kleinwort Benson McCowan Incorporated, a registered investment adviser in which we have a 40 per cent. interest, has come into existence in New York and is developing well. World trade in 1977 is not increasing as much as many had hoped, and the fact that interest rates in other countries are at lower levels than have been seen for some years is the result of subdued demand for loans from industry and commerce, which in turn reflects a low level of activity. In the United Kingdom, the expected benefits from the development of North Sea oil and gas are counter-balanced by an increasingly uneasy political and industrial picture. It is difficult to be optimistic while this continues, but I am confident that the strength of our organisation and the breadth of our operations will ensure another active year.

R. A. HENDERSON

20 Fenchurch Street, London EC3P 3DB

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Hong Kong • Singapore • Bahrain • Tehran

BOARD MEETINGS

The following dates are subject to change. Dates of meetings are usually held on the second of consecutive days. Official indications are not available. Dates are based mainly on last year's timetable.

Chairman: Robert Henderson, Director: Sir Cyril Kleinwort

Meeting	Date
Annual General Meeting	April 1
Directors	April 1
Interim Dividend	April 1
Final Dividend	April 1

FUTURE DATES

Date	Event
April 1	Directors
April 1	Final Dividend
April 1	Interim Dividend
April 1	Annual General Meeting

INTERNET

Date	Event
April 1	Directors
April 1	Final Dividend
April 1	Interim Dividend
April 1	Annual General Meeting

Austin Reed soars

Womenswear retailers and manufacturer **Austin Reed** Group achieved an 84 per cent. advance in profit to £22m, before a deficit on property transactions of £44,514, against a surplus of £22,520, and net income of £22m from 1975 to £20.82m for the year to January 31, 1977.

At the half-year, when profit was better at £19,500m (24.42m), before a surplus on property of £10,770m (17.98m), and pre-tax income was £1,780m, compared with £1,520m. Net income was up by 8.2 per cent. to £17.82m.

Aurora's advance of 53%

EXTERNAL turnover of **Aurora Holdings** was £38.82m for the 18 months to end December, 1976, and pre-tax profit was £2.89m. On an annualised basis the figures are £23.77m and £1.22m, respectively.

Compared with the previous year's £15.86m and £1.58m, this represents for the enlarged group a 54 per cent. increase in turnover and a 53 per cent. advance in pre-tax profit.

During the 18-month period the

£2.02m. for Royal Worcester

PRE-TAX profits of **Royal Worcester** are diverse, one of them Worcester rose from £1.24m to £1.94m, an increase of 56.45 per cent. to £2.02m.

The company's turnover rose from £27.8m to £28.12m.

The directors say that 1976 should be above the long-term average. The sales at 21p the group, they add, is gathering yield 7.3 per cent. covered 3.5 greater potential strength and is well placed to take advantage of any improvement in the national economy and of export opportunities.

Hanger Invs. profits almost five-fold

Turnover of **Hanger Investments** for 1976 rose £19,700m, to £27.80m, and after charges of £4.0m, pre-tax profit surged from £10,165,440 to £20,506,640. At half-year the expansion was from £10,300 to £20,700.

The dividend for the year is a maximum permitted 0.4105p (0.82p) per 10p share and Mr. P. D. Adams and Mr. G. W. Adams have waived dividends amounting to £9,201.

Transfer to tax equalisation amounted to £398,900 (£31,000) and provisions for amortisation and tax no longer required £4,961 (£33,488).

Comment

The merger of **Royal Worcester's** table and ornamental ware interests with Spode only had a marginal effect on the improved second half results. The 28.5 per cent. jump was mainly due to the tourist boom which greatly increased turnover at the London outlets. In the coming year, the management anticipates a steady flow of business should come through. Worcester has tested in the past like other companies with quality products, in respect the finance and marketing sales but appointments have been made which should hopefully change this. The probability of the offer of new Ordinary Shares are formidable, the subscription is expected to be successful.

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DELTA METAL

Delta Metal Company announces the offer of new Ordinary Shares of 25p each in exchange for

CAMBRIAN & GENERAL

The Board of **Cambrian and General Securities** has decided to recommend a capitalisation of Ordinary Shares on a basis of six new Ordinary Shares for every five held at the close of business on April 1, 1977.

Planet Percy Lane Group

Planet Percy Lane Group

Maximum permitted dividend 2.94p per share

Recent Turnover of £112.2 million

Pre-Tax Profits almost trebled

Earnings per share trebled

"1977 will be a year of further progress" Peter Lane, Chairman.

Results at a price of £1,000	1976	1975
Turnover	12,285	8,660
Profit before tax	926	315
Earnings per share	10.4p	3.3p
Dividend per share	2.94p	1.50p

During the year of continued difficult conditions, particularly in the UK, this performance is a great credit to management and all employees.

A substantial part of this increase in sales and profits in 1976 is due to the development of sterling but nevertheless there has been a significant increase in volume contribution to the result.

In the UK, there was a further improvement in profits during the second half of the year despite a fall in sales due to the continued recession in the building industry.

The Group has managed to increase its return on a most satisfactory note with higher sales in orders and sales.

AGM 17th May - Excelsior Hotel, Birmingham
Copies of the 1976 Report and Accounts will be sent to members from The Securities, Lichfield Road, Warwick, Staffs. CV3 7FL.

Cadbury Schweppes

PRELIMINARY ANNOUNCEMENT BY MR. ADRIAN CADBURY, CHAIRMAN

For the 52 weeks ended 1 January 1977		1976	1975		
	£m	£m		£m	
Groups sales	787.0	667.0	* Sales at £787m were 18% higher than those for 1975.		
Group trading profit	54.9	48.4	* Pre-tax profits rose by over 20% to £46.4m, showing a real increase over the previous year.		
Investment income	2.8	1.7	* The Board is recommending a final dividend of 2.06675p per unit which, together with the interim, makes the maximum permitted for the year.		
Interest payable	12.2	11.7	* UK export sales were up nearly 32% and profits on franchise operations were also well up.		
Group profit	45.5	38.4	* Nearly £28m was invested in 1976 and outstanding commitments amounted at the year end to £28.5m.		
Share of associated companies' profits less losses	0.9	0.2	* Our substantially increased investment programme is wholly dependent on achieving an adequate return, requiring that price controls are realistic and Government industrial policies consistent.		
Group profit before taxation	46.4	38.6			
Taxation	25.7	20.1			
Profit attributable to minority interests	20.7	18.5			
	1.8	0.6			
Extraordinary items	18.9	17.9			
Profit attributable to Cadbury Schweppes Limited	3.5	2.6			
	15.4	15.3			
DIVIDENDS					
Preference Stock	0.1	0.1			
Interim on Ordinary Stock of 0.65625p per unit (1975 0.65625p)	2.4	2.4			
Final on Ordinary Stock of 2.06675p per unit proposed (1975 1.81925p)	7.6	6.7			
Profit retained	10.1	9.2			
	5.3	6.1			
Earnings per ordinary stock unit of 25p	5.12p	5.18p			

Adrian Cadbury
Chairman

31 March 1977

Subject to approval by the Company at the Annual General Meeting the final dividend will be paid on 1 July 1977 to holders of Ordinary Stock registered at the close of business on 27 May 1977.

Cadbury Schweppes Limited, 1/10 Connaught Place, London W2 2EX

Cadbury : Fry : Pascall Murray : Schweppes : L. Rose : Kia-Ora : Typhoo : Chivers : Hartley : Moorhouse : Kenco
Kardomah : Andre Simon : Jeyes : Brobat : Ibccl : 3 Hands

The Report and Accounts, containing the Chairman's Statement and a more detailed analysis of the year's trading, will be posted to Stockholders on 19 April 1977.

APV earns and pays more

ON TURNOVER ahead from date. At December 31, 1976, net profit was £88.1m, a 157.5% increase on the £34.8m net profit of APV Holdings advanced from £9.1m to £21.8m for 1976. At half-year when a rise from £4.5m to £5.4m was reported, the directors said that the second half trading outlook was bright. They report that orders on hand at the beginning of 1977 amounted to approximately £130m and orders intake for the first two months of the year was over £50m. It is expected that invoiced sales for 1977 will exceed £200m. Profit for 1976 includes a net figure of £182,000 representing trading profits of £264,000 for Hall-Thermotank in respect of the period since it became part of the APV group less interest of £82,000 on the convertible unsecured loan stock issued in part consideration for this acquisition. Basic earnings per 50p share are 50.28p (38.17p) and fully diluted 45.48p. The final dividend of 4.88p is payable for a 10.2195p (8.2955p) total. The group's interests are in processing and heat transfer equipment for industry.

Turnover	1976	1975
Trade	137,400	98,100
Finance	12,000	15,000
Associated companies	12,000	15,000
Profit before tax	22,607	9,253
Tax	1,050	1,125
Overseas	3,193	2,251
Net profit	6,364	1,978
Minority profit	6,364	1,978
Extrajurisdictional	28	28
Attributable	6,336	1,950
Dividends	39	31
Available for Ordinary	6,297	1,919
Less: Div. on Old shares	416	384
Minority	519	276
Final	489	245
Retained	4,808	1,674

With the current phase of plant replacement almost complete the directors expect group profit for the year to improve on last year's record, £942,000. The interim dividend, payable on May 15 next, is raised from 1.05p to 1.15p a share net. Last year's total was 2.15p. Tax in the half year rose from £532,000 to £604,000 leaving net profit down from £352,000 to £243,000. Turnover has increased both in value and in the volume of business, the directors say. Although rising wool prices continued to threaten margins trading in Sirdar yarns has been most satisfactory. Sales of Hayfield yarns, however, were less satisfactory in the early season and the disappointing results are reflected in the half-year profit. However, with plant replacement almost complete and Hayfield now operating more profitably and given a continuation of the present high level of sales, second-half profit is expected to improve.

£2.29m. by Associated Book

THE expected improvement in 1976 profit at Associated Book Publishers turns out to be £1.63m, to £2.29m, pre-tax, after £1.5m, compared with £0.56m, at half-time. The year-end profit includes a £10,000 (£5,000) contribution from associates. Stated earnings per 20p share are 23.8p (19.7p) and the final dividend is 2.38p net for a total of 3.58p (3.27p), the maximum allowed.

Turnover	1976	1975
Pre-tax profit	2,290	1,628
Minority	1,138	814
Attributable	1,152	814
Retained	725	411

REXMORE

The Board of Rexmore announces that contracts have been exchanged for the purchase of 30.7% of the share capital of Rexmore. The effective date of the acquisition is March 1, 1977, and the purchase price will be equivalent to the net tangible assets as at that date.

Turnover	1976	1975
Pre-tax profit	2,290	1,628
Minority	1,138	814
Attributable	1,152	814
Retained	725	411

SIRDAR Interim Financial Statement

The group results for the 28 weeks to the 14th January 1977 (unaudited) are compared below with those of the corresponding period to 9th January 1976 and the audited results for the year ended 30th June 1976.

Group Profit	28 weeks to		Year to 30.6.76
	14.1.77	9.1.76	
before taxation	£507,000	£504,000	£942,000
Less: Taxation (U.K. estimated at 52%)	£264,000	£252,000	£453,000
	£243,000	£252,000	£489,000

The directors have declared a net interim dividend on the ordinary shares of 1.15p per share (1976: 1.04p per share) payable on the 19th May 1977 to all ordinary shareholders on the register of members at the close of business on the 25th April 1977.

Turnover has increased both in value and in the volume of business. Although rising wool prices continued to threaten margins the results of trading in Sirdar yarns have been most satisfactory. Sales of Hayfield yarns however were less satisfactory in the early season and the disappointing results are reflected in the group profit for the half-year.

The current phase of plant replacement is almost complete. Hayfield is now operating more profitably and given a continuation of the present high level of sales, group profit for the second half-year is expected to improve.

SIRDAR LIMITED
P.O. Box 31, Alverthorpe, Wakefield, WF2 9ND, Yorkshire.

BIDS AND DEALS

FMC rejects revised offer from Borthwick

The Board of FMC has turned down the £12.5m, revised conditional offer from Borthwick and has backed this up with a profits forecast of at least £3m, more than three times last year's figure and a 140 per cent increase in dividends for the current year. FMC say that they do not agree with the commercial benefits claimed by Borthwick and consider that FMC has a more prosperous future as an independent company. The latter reason would presumably also rule out FMC recommending the rival £7.7m bid from NFU Development Trust, which announced on Tuesday that it did not intend to accept the Borthwick offer in respect of its 48 per cent holding. The situation now seems to be that the Board of FMC will be unable to recommend either the NFU bid or the now current £11.7m bid from Borthwick which has replaced the conditional revised offer, following the FMC's Board rejection. For NFU Trust the position is that having only reluctantly made an offer to buy 48 per cent of Borthwick, it will have to accept any shares offered to it above the 50 per cent acceptance mark in the three-week offer period which starts with the posting of documents expected in the near future. Admitting the situation was "difficult", Mr. Jack Clare, deputy chairman and managing director of FMC, said yesterday that all shareholders who went into FMC in the beginning knew what it was about. He said that he and his Board, chaired by Mr. David Darbishire, who is also a director of NFU Trust, valued their credibility in the City and "in no way has NFU prevented the Board from conducting business commercially in the interests of all shareholders. Last night FMC was unchanged at 103p against NFU's offer of 87p and Borthwick's current offer of 117p in shares.

APPROACH TO GALLENKAMP

A Galenkamp, the scientific apparatus and instruments concern, announced yesterday that it has received a preliminary bid approach "but it is not possible to predict at this stage whether this will lead to an offer being made for the shares and convertible stock of the company." The announcement follows a period of intensive speculation in the share market and is accompanied by a statement that the Stock Exchange is to look into recent dealings in the company's shares. Galenkamp shares closed 37p yesterday at 270p after reaching a high point of 280p.

SCOTTISH HOMES DISPOSALS

The directors of Scottish Homes Investment Co. state that due to the downward trend in the construction industry, which is the basis of the net asset value, they have decided to be substantially reversed in the short term. It has been decided to dispose of James Laidlaw and Tensa Construction for £196,715 cash, net of £11.5m interest, and of both companies of £261,715, at March 31, 1976, adjusted for distributions to the parent company during the year. After repayment of inter-company loans of £11.5m, the net asset value of the company is £1.139. The resultant loss for the year, attributed to these subsidiaries is £85,000. In the year to March 31, 1976 the company had a profit of £235,222. The more consistently profitable subsidiaries continue to make the most of the opportunities available to them.

SIME DARBY FAR EAST

Kempas (Malaya) has agreed with Sime Darby Far East for the Sime unit to acquire Kempas's 50 per cent interest in Tractors Far East for just under £10m, (£1.2m) in cash.

BATU MATANG GETS INCREASED OFFER

LVC Securities, the unquoted Malaysian company which controls 29.44 per cent of Batu Matang Rubber Plantations (1976) has increased its offer for the company from 89p a share to 105p a share in cash and has won the Board's recommendation. This move follows news of an agreed rival bid from Consolidated Plantations, the Sime Darby subsidiary which has a 33.9 per cent stake in Batu, of 100p in cash or 98p in CP shares, announced on March 25.

BRIDGEWATER INVESTMENT

The extra-ordinary meeting of shareholders in Bridgewater Investment Trust, called for yesterday to consider a £215,000 cash acquisition proposed from its ultimate holding company, Alcraft, has been postponed to allow loan stockholders to be consulted first. It was announced in mid-March that Bridgewater had agreed with Alcraft to acquire from the latter both the Bury Ring Mill and Barnbrook Mill, in York Street, Bury, for £200,000 and £125,000 respectively. The deal was conditional on shareholders' approval at a general meeting. At the same time the Bridgewater Investment Board said that, while it is a quoted industrial company's shares should be retained, consideration should be given to acquiring larger holdings. The acquisition of Bury Ring Mill and Barnbrook Mill, together with other changes in the direction of the company's activities, were considered to be a major step towards increasing the return on capital.

LETRASSET/ROTADRAW

Leitasset Products, a subsidiary of Letrasset International has acquired the business interests, together with the world wide patent and trade mark rights, of Rotadraw from Branck Leisure Products.

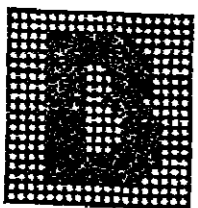
MONEY MARKET

Minimum Lending Rate 9 1/2%

Bank of England Minimum Lending Rate 9 1/2 per cent. (since March 31, 1977) Bank of England Minimum Lending Rate was cut by a per cent to 8 1/2 per cent yesterday, but the market related formula for calculating MLR remains suspended. According to a statement issued by the authorities this will remain the situation until such time as it is capable of being applied without change in the rate now established. A similar situation existed when MLR was set at 12 per cent on February 3, although at that time it was suggested that market forces could lead to a fall in MLR which the Bank would judge to be inappropriately large. The MLR does not appear to be the cause yesterday, but following a cut of 1 per cent to 9 1/2 per cent in Clearing Bank Base Lending Rates on Wednesday and a strong demand for sterling on that day, pushing the pound to its highest level since December 1975. Yesterday's move may be interpreted as an indication that the authorities are looking for stability in interest rates in the immediate future however. The fact that the authorities are looking to maintain MLR at the present level was reinforced by the method of assistance given to the money market yesterday. The Bank of England pushed up the rate of discount for Treasury bills to 10 1/2 per cent and for government stock to 10 1/2 per cent. The Bank also gave a signal to the market, and also did not appear to be the cause yesterday, but following a cut of 1 per cent to 9 1/2 per cent in Clearing Bank Base Lending Rates on Wednesday and a strong demand for sterling on that day, pushing the pound to its highest level since December 1975. Yesterday's move may be interpreted as an indication that the authorities are looking for stability in interest rates in the immediate future however. 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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Banque Nationale de Paris



Establishment of BANQUE DU CAIRE ET DE PARIS, S.A.E., in Egypt.

A new bank, BANQUE DU CAIRE ET DE PARIS, S.A.E., has just been set up in the form of a "société anonyme" (limited company) subject to Egyptian law with a capital of US\$10 million...

The company charter of BANQUE DU CAIRE ET DE PARIS, S.A.E., was signed in Cairo on 23rd March, 1977, by:

Mr. Pierre LEDOUX, Chairman of BANQUE NATIONALE DE PARIS and Mr. Mohammed EZZAT FAHMY, Chairman of BANQUE DU CAIRE

On this occasion, Mr. LEDOUX and the delegation accompanying him met H. E. Mamdouh SALEM, Prime Minister, H. E. Albert BARSOUM, Minister of State...

The formation of BANQUE DU CAIRE ET DE PARIS, S.A.E., embodies the willingness of its two partners to take part in the economic development of Egypt and in the strengthening of international trade...

Following as it does the opening of a General Representative Office in Cairo in 1975, the establishment of this Bank bears witness to the interest shown by BANQUE NATIONALE DE PARIS in Egypt and the Arab world where, for many years, it has already been active.

Westinghouse sale attacked by Belgian Minister

THE SALE by Westinghouse of 20 per cent of its stake in ACEC (Ateliers de Construction Electriques de Charleroi), the big southern Belgian electrical and nuclear power plant manufacturer, has provoked an angry outburst from the Belgian Economics Minister, M. Fernand Herman...

Despite what M. Herman may have promised, the outgoing Flemish Government has recently become much more willing to see Government participation in the private sector enlarged. Nevertheless, it is not being ruled out that the 20 per cent stake might end up with the Government...

For Westinghouse the sale is Page 32, Renault production

Anaconda's claims over Chilean assets settled

ANACONDA, ONE of America's largest copper producers and issuer of the company as part in its two huge Chilean copper mines of its 1974 settlement with the Chilean Government...

Downturn at Commerzbank

COMMERZBANK's annual report contains few surprises. Overall 1976's earnings were 10.2 per cent, but the credit volume of the group put down at 17.3 per cent...

Swedish Match decline

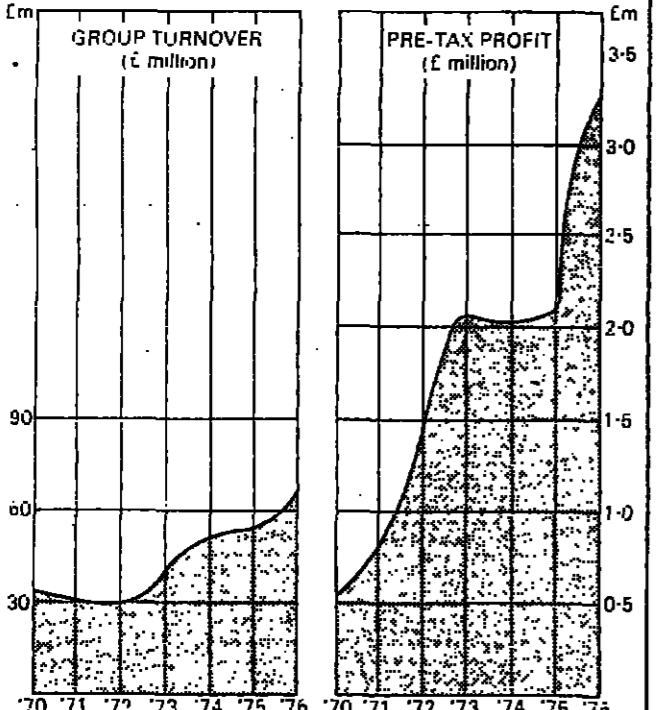
SWEDISH MATCH reports in its preliminary statement for 1976 that rationalisation measures have been reflected in better group results than anticipated in the interim report for the eight months ending last August 1976...

AGIT profits rise sharply

THANKS TO the profitable activities of its mineral sector, AGIT's profits rose sharply last year. The oil subsidiary of the Italian state hydrocarbon group, ENI, reported a profit of L2bn...

Record Profits 56% up on last year

Last 6 years turnover has doubled and profits have increased sixfold



The Bath & Portland Group. Copies of the Report and Accounts for 1976/77 can be obtained from the Secretary, The Bath & Portland Group Limited, 20 Manservants Street, Bath, BA1 1LX.

AMERICAN COMPANIES

Kodak served with civil investigative demand

EASTMAN KODAK, the giant known to be very interested in the amateur photographic industry, has become the first large U.S. company to be served with a "civil investigative demand" for documents by the Justice Department...

BANK OF AMERICA

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, March 30. These exchange rates have been compiled by Bank of America N.T. & S.A.'s worldwide network of branches from various sources...

Table with columns: Country, Currency, Value of Dollar, Country, Currency, Value of Dollar, Country, Currency, Value of Dollar. Lists exchange rates for various global currencies.

Pepsico answers sugar price fix allegation

PEPSICO INC., the second largest sugar purchaser in the U.S., said it was astonished the U.S. Government had sought to indict it for sugar price fixing, reports Reuter from New York.

RCA marketing Matsushita video recorder

RCA, the large U.S. intertainment and electronics conglomerate, has announced that it will market in the U.S. reports our New York correspondent, a home video-tape TV recorder made in Japan by Matsushita. The unit will be directly competitive but not compatible with the video recorder already being made by Sony and promoted over here by both Sony and Zenith.

Pepsico answers sugar price fix allegation

High sugar prices are extremely damaging to Pepsico and its bottlers, it said in a statement in response to a U.S. Justice Department indictment alleging Pepsico and three sugar refiners conspired to raise and fix refined industrial cane sugar prices between August, 1972, and September, 1973.

Heartened by Bell Tel success

THE NEW York bond market was true, however, that the market seemed for the moment to have discounted the recent budget deficit and also the impact of the severe winter which had begun to show in inflation statistics. Over the long term, the market continues to take a gloomy view as a result of fears about how far President Carter's budgetary needs are likely to impinge on private corporations' financing requirements in the second half of this year.

Lloyds Bank Annual General Meeting

The Annual General Meeting of the shareholders of Lloyds Bank Limited was held on 31 March 1977 at the Head Office, 71 Lombard Street, London EC3P 3BS.

Heartened by Bell Tel success

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EUROBONDS Alcan Australia \$25m. issue

INITIAL reaction to Alcan Australia's announcement of a U.S.\$25m. issue was enthusiastic, Alcan being a favourite name with Eurobond investors. The proposed terms of the issue would make it considerably more generous than those offered by Ericsson. They include an indicated coupon of 8 1/2 per cent on a 12-year final maturity. This compares with an offer yield of 8.43 per cent on the 12-year Ericsson issued quoted yesterday at around its issue price of 100 1/2 and 9 1/2 per cent on the ENI issue, also for 12 years, which was quoted yesterday well above its issue price of par.

The issue is not guaranteed, but Alcan Australia is 70 per cent owned by the Canadian Alcan Aluminium. The proceeds of the issue are to be put towards the company's capital expenditure programme. Alcan Australia said in Sydney yesterday that it plans to spend about \$445m. on expanding its capacity of its smelter in Kooragang, New South Wales, by about half to lift capacity from 46,000 to 67,900 tonnes. A lead manager for the issue is Swiss Bank Corp (Luxembourg), with Morgan Stanley International and Deutsche Bank as co-managers. Activity in the U.S. dollar secondary market continued to gather momentum yesterday. Singer reportedly came in for some heavy buying and saw its price move up by about a point to close at 100 1/2.

Canadian dollar issues were also strong yesterday and dealers expect at least one new issue announcement in the near future. In initial trading Union Bank of Finland's \$30m. floater was quoted at 99 1/2 after a par pricing on Thursday.

BONDTRADE INDEX table with columns: Medium term, Long term, Convertible, Yesterday, Wednesday.

Earnings growth for Combustion E. COMBUSTION ENGINEERING reports earnings and sales for 1977 to exceed last year's sales of \$8.04 per share on sales of \$1.83bn, the president Arthur J. Santry, said in remarks prepared for a Securities analyst meeting. Reuter reports. Mr. Santry noted electrical demand is up and so is peak load growth.



INTL. FINANCIAL AND COMPANY NEWS

Boost to Kvaerner profits

BY FAY GJESTER

THE KVAERNER shipbuilding and engineering group of Norway announces profits before taxes and end-of-year appropriations of Kr.124.8m. (£13.55m.) in 1976, compared with Kr.61.6m. in 1975.

Overall turnover rose 11 per cent to Kr.2.18bn., from Kr.1.96bn. in 1975. The annual report says 1976 results were the best since the group was formed in 1967, and adds that this was largely due to the "successful completion of a number of long-term orders."

The group comprises nine mechanical engineering works, two shipyards and seven technological design and sales companies, and products range from LNG carriers to oil platform modules and advanced systems for coping with major oil spills at sea.

With the outlook for the future uncertain, as a result of the current recession, Kvaerner aims to keep liquidity high. For this reason, a larger provision than usual has been made to cover risks and possible future losses.

The Board proposes to pay a 13 per cent dividend for 1976, 2 per cent higher than for 1975.

The employment outlook for the group's member companies (258.8m.) to Kr.2.03bn., including exports worth Kr.1.4bn. Profits before taxes and allocations reached Kr.49.8m. compared with Kr.28.5m. in 1975. Figures in the accounts for both 1976 and 1975 have been adjusted in accordance with Norway's new company law.

Aker continues to expand its production of equipment for the offshore oil industry. In 1976 platforms and other offshore structures accounted for 48 per cent of the group's output capacity, new ships for 17 per cent, engines and ship equipment 13 per cent, repairs and modifications 10 per cent, and industrial equipment and miscellaneous production 14 per cent.

Deliveries during the year included 7 ships, totalling 315,000 tonnes dead-weight and 7 platforms and other offshore structures, including production platforms, drilling rigs and master construction barges.

OSLO, March 31

Successful loan structure at Metzler

By Guy Hawtin

FRANKFURT, March 31. B. METZLER SEEL SOHN, a leading West German private bank, again suffered no credit losses in 1976. Indeed, there have been no credit losses to report since the bank, together with its competitors in the private sector, was obliged to publish figures six years ago. Questioned at the annual Press conference, the partners attributed the performance to the bank's policy of "flexibility." But they added that flexibility could only work when dealing with "prime addresses."

Bankhaus Metzler, founded in 1864 and one of Europe's oldest merchant banks, is even more discreet than most of its counterparts in a sector noted for discretion. The bank's balance-sheet gives little real indication of the extent either of its influence or its business, both of which are substantial.

The balance-sheet total in 1976, for instance, advanced by about 5.6 per cent from the previous year's DM542.2m. to DM572.5m. (£139.7m.). At the same time, the credit volume grew by about 5 per cent from DM293.7m. to DM307.4m. But much of the bank's business is not reflected in the balance-sheet.

It is particularly strong in the consortium business and syndicates out a large proportion of its lending. The bank specialises in high quality research and prime clients, applying the same yardstick's both to its own credit business and its syndicated business.

It was reported that profits were slightly up on record levels of 1975. It should be pointed out, however, that most West German banks have reported measurable declines in earnings.

Strong Linde gains in sales and orders

By Our Own Correspondent

FRANKFURT, March 31. LINDE, the Wiesbaden-based engineering, plant and construction group, saw a strong increase in both turnover and orders last year. Although earnings per share rose substantially, the group announced it is proposing an unchanged 10 per cent dividend.

Growth was largely export led. The inflow of orders for the group amounted to DM2.25bn.—20.6 per cent up on the DM1.87bn. in 1975. The parent concern's bookings rose by 21.7 per cent from DM1.92bn. to DM2.58bn.

However, overseas bookings as a proportion of total orders went up from 1975's 42.2 per cent to 54.2 per cent for the group, while the parent concern reported an increase from 47.9 per cent to 61.1 per cent. In the first two months of the current year, bookings were up a further 4.4 per cent but the inflow of overseas orders was somewhat weaker.

Group turnover showed a rise of 12 per cent from DM1.39bn. to DM1.55bn., but domestic sales showed a greater improvement than in the sector. Home turnover put on 12.4 per cent to reach DM1.06bn., of which overseas sales accounted for DM497.8m.—11.1 per cent, up on the 1975 figure. The parent concern's turnover rose from DM597m. to DM1.52bn., of which export sales amounted to DM405.5m.

Earnings also moved upwards with the group's net profits rising from the previous year's DM38m. to DM31.5m. The parent concern's net advanced at a slower pace, rising from DM24m. to DM25m. Group net earnings per share showed a marked increase, rising from 1975's DM12.51 to DM16.20.

Dr. Hans Meinhart, a member of the group's executive Board, said that in the first two months of the year, group turnover had shown a 20.1 per cent improvement on that of the year before, increasing to DM198.4m. Orders at DM226.7m. were only about 4.4 per cent over the previous year's level.

Budget relief in South Africa

BY RICHARD ROLFE

THE SOUTH AFRICAN budget has generally been met with a sigh of relief among the investment community. Rumours had been rife over the previous few days of possible sharp rise in non-resident shareholders' tax from 15 to 30 per cent, and this, it was felt, would have sparked off widespread selling of local shares. It would also have removed any prospect of a capital inflow for portfolio investment.

In the event, the impact of the budget on the market takes three main forms.

First, brokerage rates for on-market deals have been reduced, by changes in the rate of Marketable Securities Tax, from R37 to R32 per R1,000 invested.

At the same time, costs of off-market deals have been raised from R10 to R15 per R1,000 by a rise of 4 per cent in stamp duty. These changes go some way to offsetting the rise in stamp duty.

Finally, brokers feel that the equal thrust of the budget in which the rise in public expenditure was confined to 7.8 per cent, should be more bullish than bearish for foreign investment.

The absence of any measures aimed at overseas shareholdings is a positive point. So is the 15 per cent surcharge on about 40 per cent of the Republic's imports, which should, coupled with the higher gold price, enable further progress to be made in repaying last year's heavy short-term borrowings.

JOHANNESBURG March 31

EUROMARKETS

Increasing Spanish dependence after large borrowings in 1976

BY FRANCIS GHILES

SPAIN'S involvement in the Euromarkets as a borrower is increasing. The kingdom was the third largest borrower on the market last year, raising \$2.1bn. This year it will be looking for \$3bn. on the Euromarkets; at least ten loans are already, or will soon be, in the market.

Hydroelctrica Iberica — Iberduero, the country's largest utility company, is raising \$60m. for six years with a spread of 11 per cent over Libor. Banco de Bilbao is running the book; other managers include three other Spanish banks, Banco de Vizcaya, Banco Santander and Banco Central, and five foreign banks, Chase Manhattan, Deutsche Bank Dresdner Bank, Morgan Guaranty and NatWest.

Spanish banks are underwriting \$5m. each, the foreign banks \$8m. each. Commitment fees of 1 per cent, and participation fees of 1 in line with the market. It appears to have taken a leaf out of the Ministry of Finance's book. Indeed, last summer the Kingdom of Spain raised a jumbo \$1bn. loan rather than a series of smaller ones.

A number of other Spanish borrowers are in the market at present. The State railway is looking for \$200m. and DM100m. in the form of a Eurobond issue. The DM100m. bullet issue for which Westdeutsche Landesbank is lead manager has a seven-year maturity and carries an 8 per cent rate of interest. It will be lifted to-day.

The same bank is also lead manager for a \$100m. medium term credit for RENFE. Maturity is seven years and the interest rate is split: 4 per cent over Libor for the first five years, 11 per cent for the last two. Both these loans carry a Government guarantee.

RENFE is also reportedly seeking to raise a further \$100m. elsewhere.

Other loans at present in the market include \$15m. for Construcciones Aeronauticas under INI guarantee; \$7m.

EUROMARKETS

Increasing Spanish dependence after large borrowings in 1976

... (initially the amount was to have been \$60m.) for six years at a spread of 11 per cent over Libor. Chase Manhattan is acting as agent and managers include Bank of Montreal, Bankers Trust International, Security Pacific National Bank, Lloyds Bank International, Kleinwort Benson and NatWest, each underwriting \$10m. and Morgan Grenfell and Union Bank which are each underwriting \$5m. This loan is being notated (registered in Spanish law) as this puts the lenders in a better position to get their money back in case of liquidation. The money will help finance Spain's nuclear civil power capacity, a sector where Spain has ambitious projects.

Electric Utility Feeds is not known in the market, having raised a number of smaller loans last year. This time, however, it decided to go for a bigger loan, thus making any other venture into the market unlikely in 1977.

It appears to have taken a leaf out of the Ministry of Finance's book. Indeed, last summer the Kingdom of Spain raised a jumbo \$1bn. loan rather than a series of smaller ones.

A number of other Spanish borrowers are in the market at present. The State railway is looking for \$200m. and DM100m. in the form of a Eurobond issue. The DM100m. bullet issue for which Westdeutsche Landesbank is lead manager has a seven-year maturity and carries an 8 per cent rate of interest. It will be lifted to-day.

The same bank is also lead manager for a \$100m. medium term credit for RENFE. Maturity is seven years and the interest rate is split: 4 per cent over Libor for the first five years, 11 per cent for the last two. Both these loans carry a Government guarantee.

RENFE is also reportedly seeking to raise a further \$100m. elsewhere.

Other loans at present in the market include \$15m. for Construcciones Aeronauticas under INI guarantee; \$7m.

Broadstone Investment Trust Limited

Managed by J. Henry Schroder Wagg & Co. Limited

The Annual General Meeting will be held at 120 Cheapside, London EC2 on Tuesday 28 April 1977 at Noon

The following is a summary of the Report by the Directors for the year ended 31 December 1976.

	1975	1976	% increase
Total Revenue	£1,110,913	£1,305,884	17.5%
Revenue after taxation and expenses	£535,659	£609,327	13.7%
Earnings per Ordinary Share	4.12p	4.71p	14.3%
Ordinary dividends for the year, net per share	3.65p	4.50p	23.3%
Net asset value per 20p Ordinary Share, assuming full conversion of the Loan Stock	151p	160p	5.9%

The dividend increase of 23% compares with a rise in the Retail Price Index of 15% in the year to 31 December 1976.

For the five years ended 31 December 1976 gross dividends have been increased by 110%, against a 104% increase in the Retail Price Index.



- Record results for 13th successive year
- Earnings per share up 32%
- Overseas companies contributed 53% of profit
- Ordinary dividend covered over 4 times
- Current orders running at over £200m p.a. for enlarged Group.

	1976 £000	1975 £000	Increase %
SALES	137,400	98,100	40
PROFIT BEFORE TAX	12,607	9,193	37
EARNINGS PER SHARE	50.26p	38.17p	32
ORDINARY DIVIDENDS	10.2195p	9.2905p	10

APV HOLDINGS LIMITED
P.O. Box No. 4, Crawley, West Sussex RH10 2QB.

The business of the Group consists of process engineering, plant manufacturing, fabricating and steel founding particularly for the brewery, chemical, dairy, food and petroleum industries.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Mid	Offer
Akzo 5 1/2% 1988	101 1/8	101 1/2
Australia 5 1/2% 1988	101 1/2	102
Bozler 5 1/2% 1988	101 1/2	102
Canada 5 1/2% 1988	101 1/2	102
Credit National 5 1/2% 1988	99 3/4	99 3/4
Denmark 5 1/2% 1988	101 1/2	102
EIB 5 1/2% 1988	101 1/2	102
EIB 5 1/2% 1988	101 1/2	102
Enso 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
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Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102
Eurochem 5 1/2% 1988	101 1/2	102

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Drexel Burnham Lambert INCORPORATED

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Broadstone Investment Trust Limited
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UNION BANK OF FINLAND LTD.
(Incorporated in Finland with limited liability)

US\$30,000,000

FLOATING RATE CAPITAL NOTES DUE 1982

ISSUE PRICE 100%

The following have agreed to offer the notes on behalf of Union Bank of Finland Ltd. and to the extent provided in the Subscription Agreement to subscribe for the Notes:

CITICORP INTERNATIONAL BANK LIMITED
CREDIT LYONNAIS
DRESNER BANK AKTIENGESellschaft
KREDIETBANK S.A. LUXEMBOURGEOISE
SCANDINAVIAN BANK LIMITED
UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

The \$30,000 Notes of US\$1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange in London. Full particulars of the Notes are available from Extel Statistical Services Ltd. and copies may be obtained during normal business hours up to and including 13th April, 1977 from the broker to the issue:

STRAUSS, TURNBULL & CO.,
MOORGATE PLACE,
LONDON, EC2E 6ER.

1st APRIL, 1977.

New Issue

ASAHI PENTAX \$10,000,000

Asahi Optical Co., Ltd.
(Asahi Kogaku Kogyo Kabushiki Kaisha)

6% Convertible Bonds Due 1992

Yamaichi International (Europe) Limited
IBJ International Limited
Dillon, Read Overseas Corporation
Bank Mees & Hope NV
Union Bank of Switzerland (Securities) Limited

The bonds having been sold, this announcement appears as a matter of record only.

31st March, 1977

ملف من الاطال

VALUABLE SHIELD + OVERSEAS MARKETS

FOREIGN EXCHANGES

Forward firm

Early small losses on lack of buying

NEW YORK, March 31

Small losses were recorded on Wall Street today, following yesterday's sharp setback. Analysts attributed the continued decline to lack of buying interest rather than heavy selling pressures.

At mid-day the Dow Jones Industrial Average was off 0.17 to 921.04 and the NYSE All Common Index eased 3 cents to \$33.38, while declines were ahead of advances by about a three-to-two majority.

Trading volume decreased from 1.1 billion shares to 978 million, compared with 1.2 billion yesterday.

Analysts also said chances for a sustained rally have improved in view of the Stock Market's overall condition. They also pointed out that recent economic news has been constructive as indicated by a 0.4 per cent rise in the February Index of Leading Indicators.

Other favourable news included a 1.4 per cent rise in New Construction Contracts in February.

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WEDNESDAY'S ACTIVE STOCKS

Stock	Close	Change
Westinghouse Elec.	34 1/8	+1/8
Delman Pw. Lt.	53 3/8	-1/4
Raychem	22 1/2	+1/4
American Motors	23 1/8	+1/4
General Motors	18 1/4	-1/4
Ford	18 1/4	-1/4
Sony	153 1/8	+1 1/8
South Ry. Pl.	156 1/4	-1/4
Amer. Tel. Tel.	23 3/8	+1/4
IBM	151 3/4	-1/4

INDICES

Index	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	High	Low
Industrial	921.04	922.81	923.11	922.65	925.87	922.52	921.04
NYSE All Common	\$33.38	\$33.41	\$33.44	\$33.41	\$33.44	\$33.41	\$33.38
Transport	228.81	228.24	228.17	228.59	228.78	228.78	228.81
Utilities	105.51	105.83	105.82	105.22	106.00	105.12	105.51

Overseas Markets

Domestic stocks were mixed, with a slight bias toward buying, but foreign shares fell, but Germans were irregular.

BRUSSELS - Lower over a wide front after active trading.

STOCKHOLM - Mixed in moderate sellings, but little change in overall market.

Oslo - Moderate sellings, but a slight bias in quiet trading.

London - Mixed in quiet trading, but a slight bias in quiet trading.

Geneva - Mixed in quiet trading, but a slight bias in quiet trading.

Amsterdam - Mixed in quiet trading, but a slight bias in quiet trading.

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GOLD MARKET

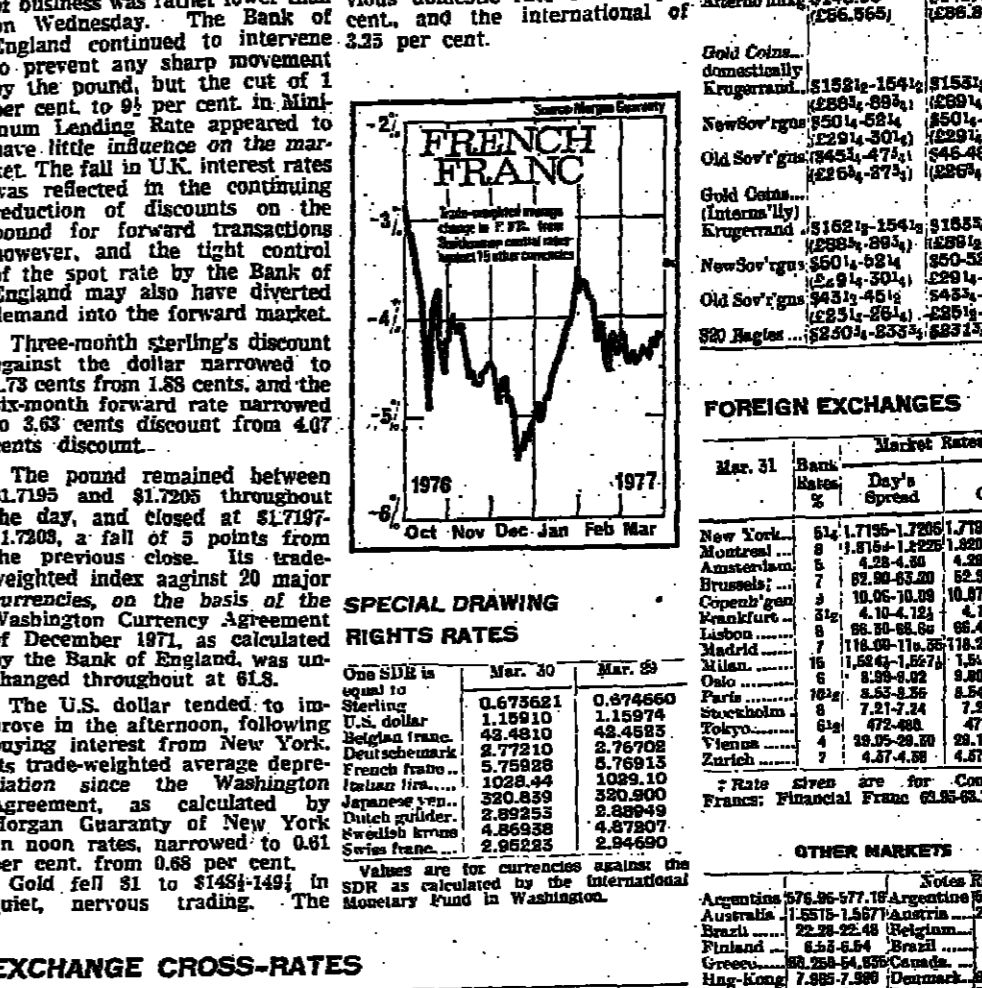
Gold Bullion (per ounce) \$148 1/4

Close \$148 1/4

Open \$148 1/4

High \$148 1/4

Low \$148 1/4



NEW YORK - DOW JONES

Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	High	Low
921.04	922.81	923.11	922.65	925.87	922.52	921.04

OTHER MARKETS

Market	Price	Change
Canada again lower		
Japan		
London		
Geneva		
Amsterdam		
Stockholm		

EXCHANGE CROSS-RATES

Currency	Rate
£/\$	2.45
DM/\$	3.36
¥/\$	109.5
Fr/\$	2.50

EURO-CURRENCY INTEREST RATES

City	Term	Rate
London	3 months	9.50%
London	6 months	10.00%
London	12 months	10.50%

STANDARDS AND POORS

Index	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	High	Low
Industrial	109.40	110.25	110.22	110.27	111.40	110.22	109.40
Composite	88.54	89.23	89.20	89.26	90.20	89.20	88.54

GERMANY

Industrial production up 1.5% in Feb.

Unemployment at 4.2%.

TOKYO

Stock	Price	Change
Nippon Yusen	1,100	+10
Fuyo Bank	800	+10

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27
Abbott Lab	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
Abbott Sci	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
Astra Life & Cas	29 1/4	29 1/4	29 1/4	29 1/4	29 1/4
Air France	29 1/4	29 1/4	29 1/4	29 1/4	29 1/4
Alcan	26 1/4	26 1/4	26 1/4	26 1/4	26 1/4
Alcoa	26 1/4	26 1/4	26 1/4	26 1/4	26 1/4
Aluminum	26 1/4	26 1/4	26 1/4	26 1/4	26 1/4
Ally	26 1/4	26 1/4	26 1/4	26 1/4	26 1/4
Allegheny Power	20 1/4	20 1/4	20 1/4	20 1/4	20 1/4
Altria	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
Altria Chem	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
Altria Stores	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
Altria Tobacco	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
Altria Travel	42 1/2	42 1/2	42 1/2	42 1/2	42 1/2

CANADA

Stock	Price	Change
Bank of Montreal	107 1/4	+1 1/4
Imperial Oil	107 1/4	+1 1/4

AMSTERDAM

Stock	Price	Change
Shell	25 1/4	+1/4

BRUSSELS/LUXEMBOURG

Stock	Price	Change
Shell	25 1/4	+1/4

PARIS

Stock	Price	Change
Shell	25 1/4	+1/4

STOCKHOLM

Stock	Price	Change
Shell	25 1/4	+1/4

COPENHAGEN

Stock	Price	Change
Shell	25 1/4	+1/4

MILAN

Stock	Price	Change
Shell	25 1/4	+1/4

VIENNA

Stock	Price	Change
Shell	25 1/4	+1/4

SWITZERLAND

Stock	Price	Change
Shell	25 1/4	+1/4

OTHER MARKETS

Market	Price	Change
Australia		
Brazil		
Geneva		
Amsterdam		
Stockholm		
Copenhagen		
Milan		
Vienna		
Switzerland		

U.S. gives soy export assurance

WASHINGTON, March 31. U.S. AGRICULTURE Secretary Mr. Bob Bergland said there would be no embargo on U.S. soybean exports unless some other market source failed to buy up available stocks.

Row over more cheap EEC butter for Russia

BRUSSELS, March 31. THE ROW over the sale of cut-price Common Market butter to the Soviet Union came to life again here today when it was reported that a steady trickle of exports is continuing, despite the Brussels commission's supposed clampdown.

Further big fall in coffee

By Richard Mooney. NERVOUS SELLING pared another sizeable chunk off London coffee futures prices yesterday. By the close the May position was quoted £140 down at £3,510 a tonne—the lowest level for three weeks.

Importance of the part-time farmer

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT. THE CENTRE for European studies and workshops has been centred in some industrial College in Kent, has just issued a report of a workshop conducted last summer into part-time farming.

Nigeria starts \$84m. farm credit fund

By Our Own Correspondent. LAGOS, March 31. NIGERIA HAS promulgated a decree formally establishing a National (1974) Agricultural Credit Guarantee Fund for developing agriculture.

No beef crisis says Silkin

By PETER BULLOCK. MR. JOHN SILKIN, the Minister of Agriculture, last night urged farmers' leaders not to over-dramatise the devaluation of the Irish "green pound" and its effects on U.K. beef markets.

Metals rally continues

By Our Commodities Staff. THE RALLY in metal prices continued on the London Metals Exchange yesterday, recouping some of the heavy losses suffered earlier this week.

Cotton exports boost for Sudan

By Our Own Correspondent. KHARTOUM, March 31. SUDAN'S BALANCE of payments difficulties are expected to be somewhat eased this year by record revenue from cotton.

British bacon price rise

By RICHARD MOONEY. MANY BRITISH farmers will be receiving up to 60p more for their bacon pigs from next week following EEC's announcement yesterday of a £25 rise to E800 a tonne in the first-hand bacon price.

MEAT MARKET

Other meats: Beef—Prime 250.00, Standard 230.00, Choice 240.00. Pork—Spare ribs 180.00, Bacon 190.00.

PRICE CHANGES

Table with columns for item, price, and change. Includes categories like Metals, Grains, and Cotton.

COMMODITY MARKET REPORTS AND PRICES

Table listing various commodities and their prices, including wheat, sugar, and oil.

COFFEE

Table showing coffee prices for different grades and origins, such as Arabica and Robusta.

RUBBER

Table showing rubber prices for various types and grades.

U.S. Markets

Table showing U.S. market prices for soybeans, wheat, and other commodities.

Advertisement for the Democratic and Popular Republic of Algeria, Ministry for Industry and Energy, Société Nationale de l'Electricité et du Gaz (SONELGAZ).

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and origins.

WOOL FUTURES

Table showing wool futures prices for different grades and origins.

FINANCIAL TIMES

Table showing financial data and indices from the Financial Times.

COCOA

Table showing cocoa prices for different grades and origins.

GRAINS

Table showing grain prices for wheat, barley, and other cereals.

REUTERS

Table showing Reuters market data and news snippets.

INTERNATIONAL APPOINTMENTS

Section listing international appointments and events, including the Sultanate of Oman.

JUTE

Table showing jute prices for different grades and origins.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various items.

Europe sugar area estimate reduced

STATISTICIAN F. O. LICHT'S second European sugar beet acreage estimate for 1977 is slightly lower at 7.97m. hectares compared with the first estimate of 7.99m.

MOODY'S

Table showing Moody's credit ratings and financial data.

In the third article on Renault, Terry Dodsworth looks at car production

Placing eggs in many baskets

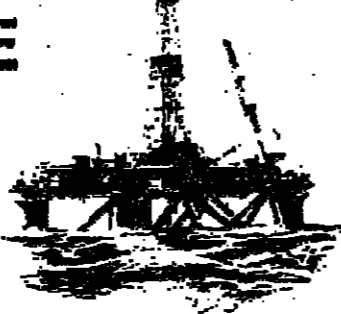
a comprehensive guide to the offshore oil and gas industries

Walter Skinner's

NORTH SEA AND EUROPE OFFSHORE YEAR BOOK AND BUYERS' GUIDE

1977 edition

Published by The Financial Times Limited



Year Book

This is a review of the European offshore oil industry, including the North and Celtic Seas. Detailed information relating to countries having oil and gas exploration and development programmes around Europe. A summary of each country's activities is given, including wells discovered, production, reserves, etc. Where available legislation covering the issue of licences for exploration and production, and the conditions relating to them, is included, together with maps showing the location of blocks. Companies holding licences are listed, together with names and addresses of Ministries and authoritative bodies for each country.

Buyers' Guide

This section gives details of over 1,850 companies, at least 350 more than in the first edition, representing not only countries with offshore oil exploration but those in Europe who supply the needs of the industry. These include the United Kingdom, Norway, Netherlands, Belgium, France, Spain, Denmark, Finland, Italy, Portugal, Republic of Ireland, Sweden and Malta.

The companies are listed under country headings for easy reference and the information includes, apart from addresses and telephone numbers, details of the number of employees, bankers, parent and/or subsidiary companies, chief executives and a brief description of each company's business. In many cases, where available, financial details are also included.

Products Section

This is a complementary section to the Buyers' Guide. It gives, under more than 600 headings, names, together with a country coding, of companies supplying those products and services. Details of the companies are given in the Buyers' Guide section and therefore this section acts as a cross reference, making it easy to find the suppliers of each product.

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ONE OF the most interesting books written about a nationalised company is a weighty coffee-table tome called the Romance of Renault. Between the glossy pictures, it has a compelling story to tell. It shows how "Le Regie," literally rising from the ashes of its bombed-out factory at Billancourt in Paris after the war, emerged as one of the most formidable vehicle companies in Europe within a nationalised framework which most of its critics believed would never work.

The book provides ammunition both for and against the critics who say that this success is based solely on its access to State finance. It is certainly true that, in the first three decades after the war, Renault was led by Left-wing-inclined men who had the ability to work with the State and harness its resources to the company. It is also true that a remarkably expansionist temper, which contrasts with the caution of private concerns, has reigned within the company. Edouard Seidler's book shows that Renault has been notably more generous to its workers on matters of the "social wage" than most of its European rivals: and it has clearly pursued long-term objectives at the expense of short-term profitability.

All the same, Renault's progress has not been as dependent on State aid as many of the critics assume. What the company has done is to use the assurance of State backing to create a model range based on far more innovative ideas than that of any other motor company in Europe. It could be argued, of course, that joint stock companies would never have dared to go out on a limb, as Renault has done, on front-wheel drive engineering, the hatchback rear door, aluminium engines and joint component manufacturing projects. It remains true, however, that Renault has taken the long-term risk involved in these policies, and made a success of them.

Pace-setter

It did this by developing a carefully thought-out framework for its model range in the early 1960s. This was based on the twin concepts of having a wide variety of cars — its former

director, M. Pierre Dreyfus used to talk of one new launch a year — each of which is a fundamentally practical solution to the challenge of family motoring.

Rival designers see this commitment to practicality as Renault's main contribution to car engineering over the last decade. For example, David Bache, the British Leyland designer who created the award-winning Rover 3500 and Range Rover, believes that the R16 was

YEAR	CARS	COMMERCIAL	TOTAL ALL VEHICLES	EXPORTS
1945	504,507	72,606	577,113	264,832
1946	466,224	71,755	537,979	333,191
1947	704,632	70,846	775,468	379,532
1948	734,455	72,952	807,407	432,660
1949	911,264	96,108	1,007,372	526,077
1950	1,055,803	103,942	1,159,745	680,439
1951	1,069,070	105,244	1,174,314	661,174
1952	1,202,686	115,641	1,318,327	712,897
1953	1,292,991	121,572	1,414,536	809,255
1954	1,395,799	131,729	1,487,528	844,376
1955	1,292,551	98,397	1,391,948	825,683

one of the great pace-setters of the European industry. "The French are very practical. And in small cars, practicality is the most important thing."

M. Bernard Hanon, head of the Renault car division, similarly stresses the way in which the company has deliberately developed vehicles for the whole family. He says: "When we introduce a car like the R14 (the latest mid-range hatchback) it is quite obvious that we want to make an agreeable car. We don't want to design a sports machine. Of course we want it to have modern lines and not look sedate. But we also want to emphasise interior room and space."

M. Hanon is a tall, urbane executive who made his way up to the top of the company by way of the marketing and product planning departments. As one might expect from his background, he relates the company's model development closely to social changes. The range has grown gradually from the limited and simple cars of the post-war austerity period towards the needs of the lower income families who exploded

as long as possible. A wide model range is seen as a marketing ploy, a tool to generate swift growth and to keep it moving within markets which do not always share the same tastes.

This approach to exploiting new markets is particularly evident in its attack on export areas within the EEC. Europe is still not an entirely homogeneous car market, despite the growing convergence of taste within the last 10 years, and Renault's seven different body shells recognise this fact. The company's baby car, for instance, the R5, was conceived partly as a car to establish it in Italy (Ford has copied the idea with the Fiesta), and the car has done just that. In Germany, on the other hand, the medium-size R12 sells much better. There is a striking contrast between this strategy and Volkswagen's mono-model policy during the 1960s, or Ford's three-model policy which let it down badly in France and Italy.

Economy

At the same time, the rapid involvement in foreign markets has kept Renault's factories expanding at such a rate that it has been able to achieve many of the economies of scale demanded in large motor companies. Since 1965, for example, its car output has gone up from 505,000 to 1.5m. a year. The rate of expansion has been such that Renault has been able to produce a good many of its models at or above the 250,000 units-a-year rate which economists reckon is the ideal minimum—the Renault 4, 5 and 12 all fall into this category, and the 14 will, when production picks up. The R5 capacity is for about 400,000 units a year.

How much longer Renault can go on launching models across the market is an open question. With its new big car, the R30, it has effectively topped out its range for the foreseeable future, and the whole range is already underpinned by the R5. Like other European companies, Renault is now having to plan also for more limited growth in Europe as the market matures, and fewer new motorists come on to the road. The impact of this maturing in the market means that manufacturing economies will be

Exports

The object of Renault's model strategy, however, has been very different from Ford's, which is based on establishing a core market and then maintaining and expanding it with improvements in the basic design. Renault scarcely ever "replaces" a model in the sense that Ford makes a new Escort or Leyland created the Allegro out of the old 1100 series. The Renault idea is to seek out new slots for each new model, and then to keep the old ones going

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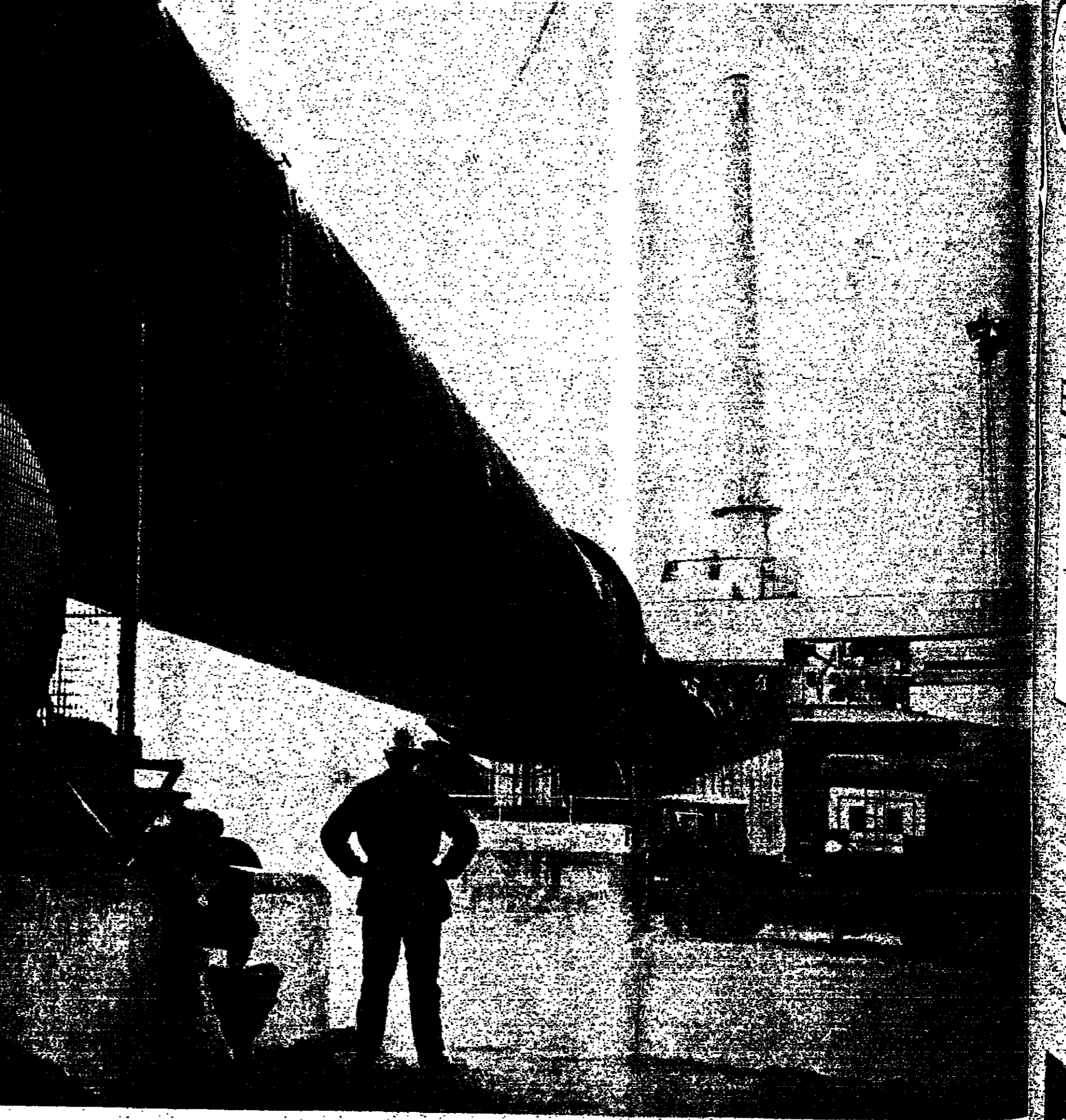


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FINANCIAL TIMES SURVEY

Friday April 1 1977

هكذا من لاهل

Arab Shipping and Ports

Arab countries still constitute the fastest growth area in the world. The flow of goods to the Gulf and the Red Sea continues to increase, but port congestion remains a serious problem, though it is considerably relieved by unutilised cargoes.

THE ARAB world is as much as a focal point of interest for the international shipping industry. Accounting for eight per cent of the Organisation of Petroleum Exporting Countries' membership and 60 per cent of its output last year, this family of nations—bound by common language, aspirations and organisations—continues to enjoy a rate of growth far higher than the average, even if the pace is much less breathtaking than it was in 1974-75. Despite impressive improvements in some countries' port congestions, it still a challenging problem, albeit one which, by trying to dry cargo vessels, has helped reduce over-capacity in cargo vessels.

Working in the other direction has been the Suez Canal. Reopened nearly two years ago, it has secured a significant share of the traffic in general, and a particularly large one in the oil. The Egyptian Government had hoped that the Suez Canal would take into account the Suez-Mediterranean pipeline that started operations at the start of 1976. In their efforts to increase ownership of tonnage to their own crude oil, Arab producers have been made aware of harsh market realities—but their long-term resolve to achieve a greater measure of self-sufficiency for both dry cargo and petroleum has in no way been undermined.

Because of the inexorable rise of oil prices and output, which has also benefited indirectly the non-producing states, Arab trade has expanded much more rapidly than that of any other

group of countries. In 1970-75 the 333 per cent increase in the value of their imports as recorded by the UN—from \$9.3bn. to \$40.7bn. compared with a global one of 273 per cent—raised their share of the developing world's market from 16.6 to 21.6 per cent.

For recent trends since the 1973-74 escalation in oil prices, more up to date and revealing are the export statistics of the Organisation for Economic Co-operation and Development, whose 23 members would account for about three-quarters of Arab purchases. They are in fact terms and therefore do not include the costs resulting from port congestion which have so inflated import bills in the region. Sales to the Arab world rose in 1974 by 57 per cent over the previous year and a further 65 per cent in 1975 (compared with increases of 33 per cent and 6 per cent in those two years respectively for the world as a whole). In the first half of 1976 the gain over the same period of 1975 was a modest 22 per cent. Yet that was nearly four times better than the average.

Surge

The surge of imports into the oil-producing countries was bound to strain port capacity to the limit. The problem of congestion was compounded by the Lebanese civil war and the virtual stoppage of transit trade overland from Beirut towards the end of 1975. Since then the one really significant improvement has been at Jeddah and Damman, the main entry

points to Saudi Arabia where almost miraculously, surcharges against congestion were recently suspended. Quite apart from the enormous increase in capacity being implemented at these two ports and better or has even deteriorated in the Gulf, the slowdown in also at Yanbu (which is still the expansion of imports will suffer from bad congestion) have reflected the limitations on the Kingdom's pressing ahead the absorptive capacity of the with no less than four emerging states rather than the

At the beginning of 1976, for instance, both Kuwait and Agaba were able to offer their services to Iraq and Saudi Arabia. Imports for Saudi Arabia have been passing through Bahrain. Similarly, goods for the Yemen Arab Republic are being routed through Aden, which has been

herths. More serious is the possibility of the UAE construct and container vessels have been subjected to a surcharge. Undoubtedly, the waterway has attracted cargo from the long overland route, benefiting Jordan, Sudan, Saudi Arabia and the Arab states of the Gulf in the process, even if it has been of prime importance for trade with Asia and the Far East. Although the Canal has made little impact on world oil trade, the volume of cargo traversing it—accounting for 60 per cent of total tonnage—has been well above the levels before the closure in 1967. More than 28,000 vessels have now passed through the waterway since its re-opening, and Egypt is now receiving badly needed hard currency at an annual rate of nearly \$350m. The Canal may have made redundant as much as 500,000 d.w.t. of capacity.

Oil tankers in ballast account for the steady rise in the number using the waterway since the beginning of 1976. With its draught limiting the size of vessel able to traverse to only 80,000 d.w.t., the Suez Canal could expect only a very small proportion of north-bound loaded traffic. Its ability to recapture a bigger share will depend on the implementation of the plans for enlargement. The first phase in hand will increase the depth to 53 feet and accommodate full tankers of 100,000 d.w.t. and VLCCs of up to 250,000 d.w.t. in ballast. The start of direct container, sea-scale envisaged for the second phase, which the Egyptian Government appears determined to proceed with, would enable the Canal to aim at the like growing into a force to become commercially viable bulk of the world's oil move-

despite the fact that the vessels for the most part return empty and container vessels have been subjected to a surcharge. Undoubtedly, the waterway has attracted cargo from the long overland route, benefiting Jordan, Sudan, Saudi Arabia and the Arab states of the Gulf in the process, even if it has been of prime importance for trade with Asia and the Far East. Although the Canal has made little impact on world oil trade, the volume of cargo traversing it—accounting for 60 per cent of total tonnage—has been well above the levels before the closure in 1967. More than 28,000 vessels have now passed through the waterway since its re-opening, and Egypt is now receiving badly needed hard currency at an annual rate of nearly \$350m. The Canal may have made redundant as much as 500,000 d.w.t. of capacity.

Confronted with the depressed tanker market the producing states' drive to carry as much as possible of their crude oil in vessels owned by themselves seems to have been checked, momentarily at least. Having recorded a loss in 1975, its first year operation, the Arab Maritime Petroleum Transport Corporation has had to lay up tonnage. Profiting from preferential bunker prices, the Kuwait Oil Tanker Company has been doing much better. Considerable tonnage remains on order and, if the leading petroleum states were to apply meaningful legislation on flag preference they could yet make an impact on the still depressed international business.

The goal of securing 40-50 per cent of the transportation of their own oil looks as though it will involve a big, perhaps prohibitively large, investment. However, Arab countries—notably Algeria, Egypt, Iraq and Kuwait—are pressing ahead with the expansion of their cargo fleets. Last month saw the formation of the United Arab Shipping Company capitalised at \$680m. and owned by Kuwait, Saudi Arabia, Iraq, the UAE and Qatar. Initially, the 33 vessels of the Kuwait Shipping Company already afloat, as well as 15 on order, will form the operating fleet. The UASC looks like growing into a force to be reckoned with.

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Centres of activity

By Richard Johns, Middle East Editor

squeeze on revenue experienced by some oil producers. Port congestion was one of the inflationary constraints which led Saudi Arabia in the latter half of 1976 to restrain public expenditure and give priority to the easing of its major transportation bottleneck. According to one report submitted to the Government, unloading delays were adding nearly 40 per cent to the cost of the Kingdom's imports at one point last year.

Only a year ago about 200 ships were at anchor outside Jeddah and surcharges were running at anything from 30 to 250 per cent, while at Damman there was an average wait of three months and a 90 per cent surcharge. The change in the situation at both ports has been dramatic. Waiting facility can be taken up to relieve the pressure at another.

import of construction materials. Iraq is reported to have overcome the congestion problem at Basrah and Umm Qasr. Elsewhere in the Gulf at Abu Dhabi, Dubai, Kuwait, Doha and Bahrain there are currently delays of up to 70 days. Waiting time expected at Agaba where the flow of imports has tripled over the past 12 months. At the eastern end of the Mediterranean congestion is had at Latakia, Tartous, Alexandria and Port Said.

While long-haul road haulage has flourished as a result of limited port capacity in the region, transportation over shorter distances has given a degree of flexibility within the region whereby the slack at one facility can be taken up to relieve the pressure at another.

of improved handling methods and the use of vessels designed for quicker unloading—which should mean better use of capacity in the future. In particular, it has stimulated the production of larger and more efficient roll-on, roll-off vessels. The requirements of the Middle East alone should guarantee a small proportion of north-bound vessels for the next decade or so, and no doubt ports in the region will continue to give investing heavily in expanding their port facilities. Most of them are undergoing their most concentrated phase of development—raising the question whether there might eventually be over-capacity in the Gulf.

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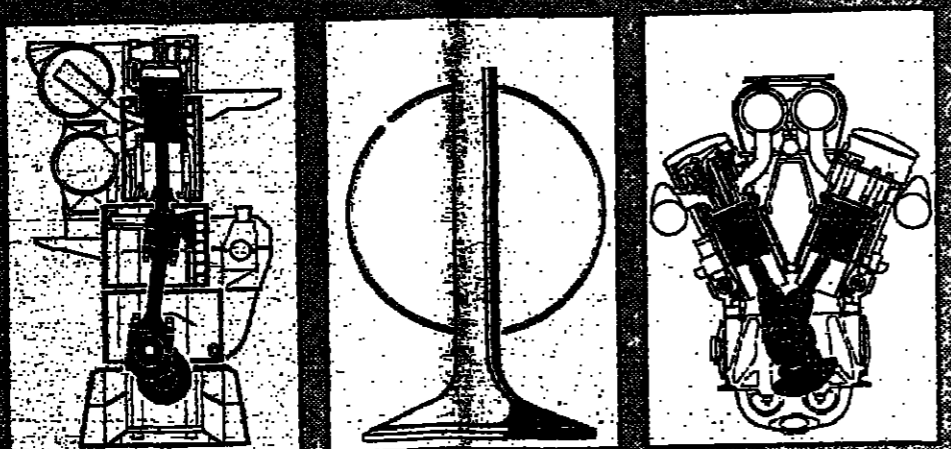
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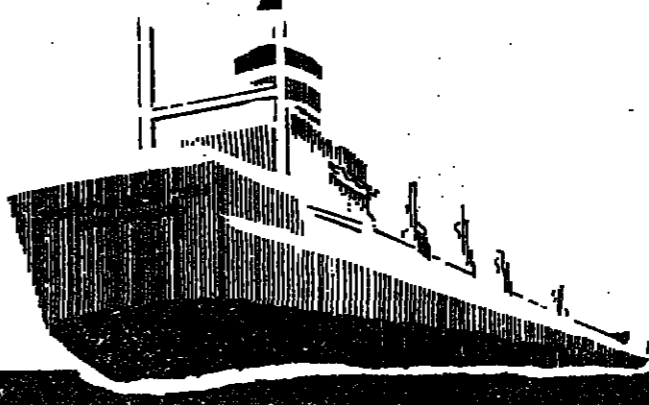
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ARAB SHIPPING AND PORTS II

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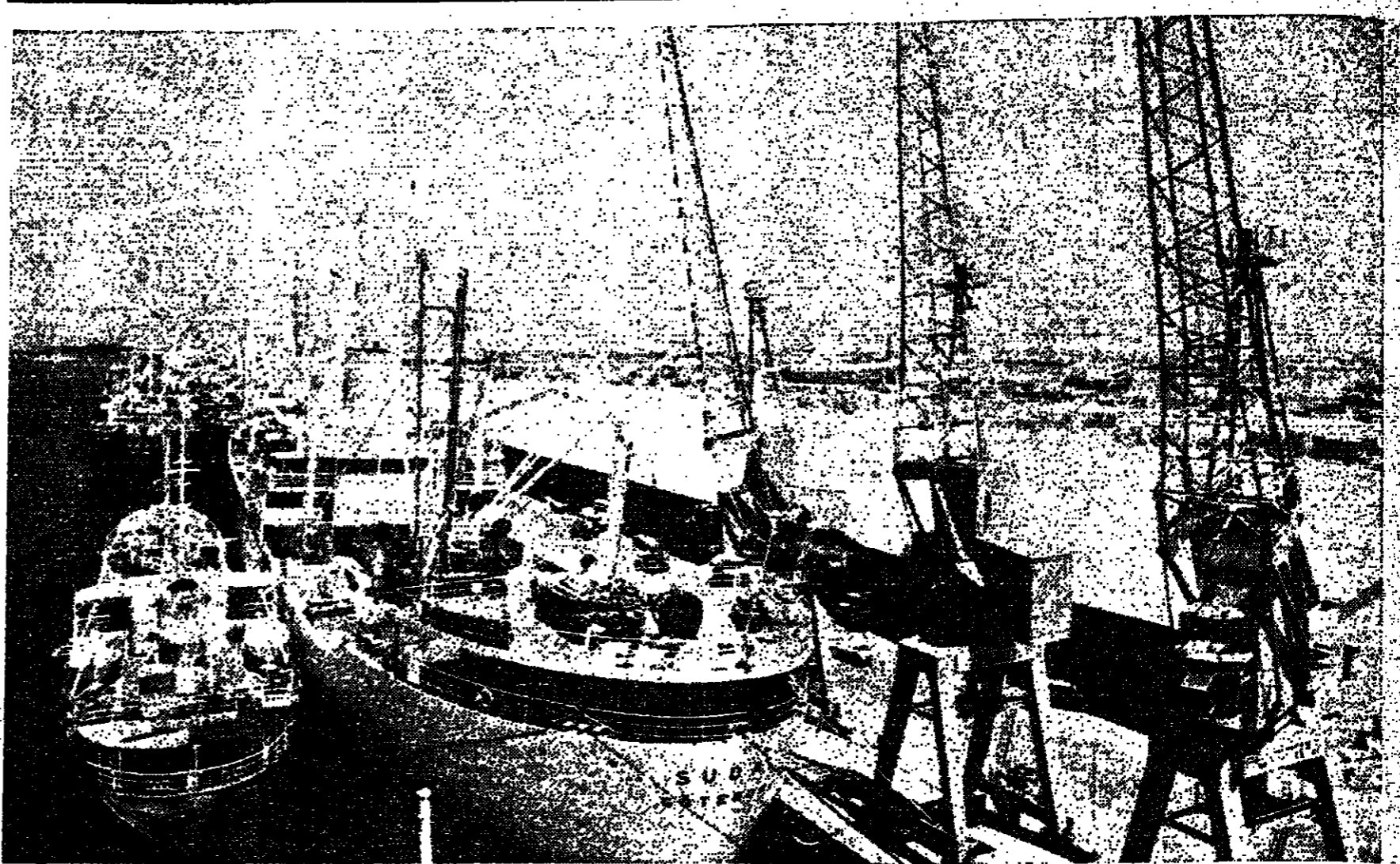
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General cargo berths at Jeddah, Saudi Arabia.

Latter-day miracle by the Red Sea

THE REOPENING of the Suez Canal in June, 1975, restored a traditional gateway for shipping to the Middle East which virtually guaranteed that the handful of Red Sea ports capable of handling deep-sea vessels would be swamped with a demand for berth space. Aqaba in Jordan, Jeddah and Yanbo in Saudi Arabia have fought mighty battles to cope with the armada of ships employed in trying to meet the Arab world's almost insatiable desire for manufactured goods.

Jeddah is the largest and by far the most important and there have been times in the past 12 months when it seemed that the port might just disappear under the sheer volume of goods which were being shoehorned into it. Waiting time for general-cargo vessels at the middle of last year was 200 days, shipping conferences were levying surcharges of 90 per cent or more and Jeddah became synonymous with Arab port congestion.

Everyone was alive to the problem, however, and there has been no shortage of supply of ingenious responses from the Saudi Arabians themselves as well as shipowners and shippers. The Saudi Arabian Ports Authority, under the presidency of Dr. Fayez Badr since last September, has taken a grip on the situation and given port administration a clarity that was previously lacking, while shipowners and shippers have also responded by stepping up utilisation of cargoes and introducing a variety of new vessels capable of a speedy and flexible transfer of goods from ship to shore. The results have been spectacular (some of those who have seen the problem at first hand prefer to say "miraculous").

In 1973 cargo passing through Jeddah amounted to 1m. tons,

and in recent months the port has been handling the annual equivalent of 7m. tons. Not only has the port managed to cope with this massive increase in cargoes, it has also reduced the backlog of vessels waiting to unload. In February waiting time had been slashed to between 40 and 55 days and conference lines operating out of the U.K. were sufficiently encouraged by the changed situation to reduce the congestion surcharge in January from 75 to 35 per cent, and then to abandon it altogether a month later.

Clearly this represents a major success story for the Saudis and due credit should go to all concerned. Gray Mackenzie, an Inchcape subsidiary, has played an important role in sorting out the port's administration according to the contract it was given in mid-1976. The company's task has been considerably smoothed by the efforts of the Saudi Arabian Ports Authority which has fought a determined campaign against crucial aspects of the congestion problem.

Importers were told in no uncertain terms to clear the dockside of the enormous tonnage of cargo which had rapidly built up in the first half of last year or face the loss of their goods through public auction. They were given advance notice of the discharge of cargoes and new regulations have recently been issued to speed the flow of container traffic.

At the end of last year the Authority took determined steps to ensure that ships arriving at Jeddah and all other Saudi ports were able to conform to minimum cargo handling standards. The regulation forbade any ship over 15 years old from discharging cargo in Saudi Arabia unless it was certificated as cargo worthy and possessing adequate deck machinery. The aim of this move is fairly obvious and it was not welcomed by the small non-conference operators who had parked very old tonnage in the queues waiting outside Saudi ports, earning substantial demurrage payments in the process.

Backlog

Other measures introduced by the Ports Authority included the elimination of preferential berthing rights and the use of helicopters to unload cement from a steadily growing backlog of vessels.

These measures, coupled with better administration and streamlined procedures, have been most important in effecting the radical improvement at Jeddah. But other factors too have been helpful. In particular, an enormous expansion in roll-on roll-off services has taken place over the past year because of these vessels' obvious superiority in moving goods from ship to shore. The number of roll-on roll-off ships using the port has increased fivefold during the past year and now that the main burden of the congestion problem appears to have been broken, questions are being asked as to whether all of the ships committed to running into Jeddah will continue to find economic employment.

The answer almost certainly

will be that some of the ships will fail to yield the earnings to justify their continued use, but by some specialist ships purpose-designed for trading into the Middle East, such as the giant roll-on roll-off vessels being built in Japan for Seaspeed Ferries, should have a future because of their comparatively low operating costs. Many operators, however, believe that the future lies in containers, not roll-on roll-off.

Cunard Arabian Middle East Line (CAMEL) which has built up a very successful service in the last 12 months based on a Strider class ship chartered in from Sea Containers is planning to abandon the use of this type of medium-sized roll-on roll-off ship for container ships. Camel revealed late last year that it was looking to acquire two such ships by 1978-79 and a senior executive opined that new container berths scheduled for completion at Jeddah in 1979 would severely limit the appeal of roll-on roll-off services into the port.

Operators like Camel which are keen to establish a permanent presence in Saudi Arabia, Jordan and Hodeida in Yemen, and the Gulf have had to concern themselves with the on-

ward transport of cargoes from the docks. Camel's solution for this problem, also adopted by other shipping companies, has been a joint road haulage operation with a Saudi company.

Jeddah's new container berths are only a small part of development plans which should make congestion a thing of the past. Archirodon of Greece is currently working on providing seven new berths at a cost of more than £70m. and these should be completed by the end of 1978. A further 20 berths by 1980 are scheduled in a £613m. plan to be carried out by a consortium involving Archirodon, Skanska of Sweden and Grands Travaux de Marseille.

Stimulated

Jeddah's development will ensure that it remains the Red Sea's No. 1 port but the tremendous volume of goods seeking entry into the Arab world during the past three years has also stimulated the development of other ports, particularly Yanbo in Saudi Arabia, Aqaba in Jordan and Hodeida in Yemen. At Yanbo, where the vessel waiting time in February was

still up to 50 days, is to acquire seven new berths under a \$156m. scheme being carried out by the Saudi Arabian construction group Ditco.

In common with other Arab ports Aqaba's development has lagged far behind demand for its services but four new berths are planned and will be built by a joint venture involving the U.K.'s Tarmac International and Shahin Engineering of Jordan. At the same time Aqaba has latched onto a short-term expedient for attacking its congestion problem which many experts think could have widespread application throughout the Arab world.

This is in the shape of a 54m. floating dock which is due to be completed by IHI of Japan shortly. Its ability to accommodate two general cargo ships of up to 20,000 dwt and two roll-on roll-off vessels all at the same time is seen as a vital addition to Aqaba's capacity.

Finally, at the southern end of the Red Sea a modest development scheme is under way at Hodeida which will extend available wharfage and provide extra warehousing.

John Wyles
Shipping Correspondent

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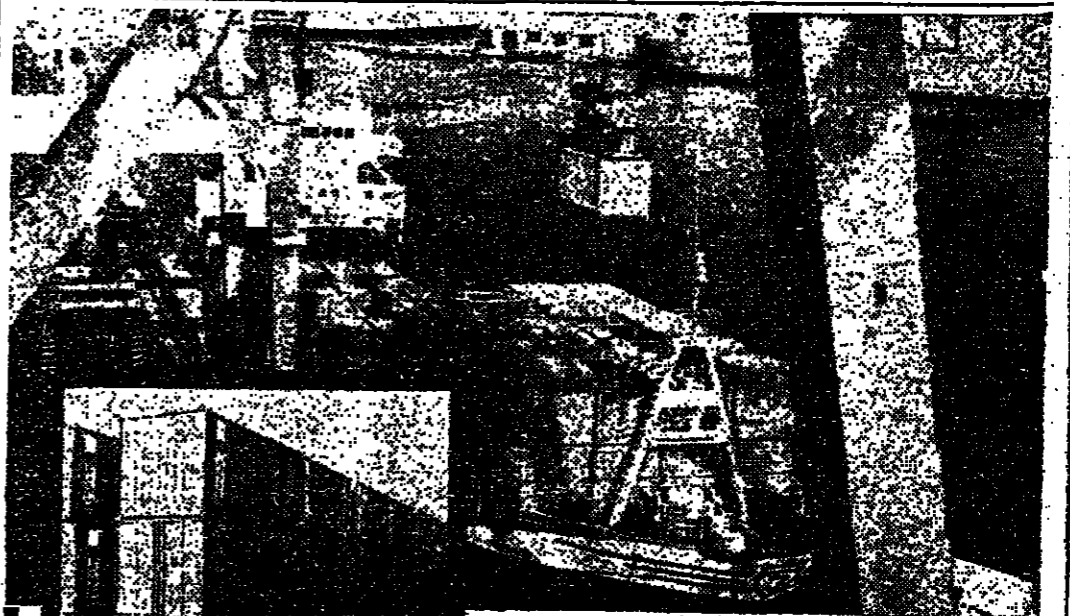


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Rapid developments in the Gulf

THE ARAB GULF states have responded extensively to the challenge of port congestion, which has afflicted all of them to varying degrees since the 1973/74 oil price rise. Port development work worth more than \$50m is now in progress and five completely new ports are being built at least three of them of colossal dimensions.

The irony of this surge in port development is that although relatively few new berths have come into operation since 1973/74, compared with those projected for the future, waiting times at almost all ports appear to be dropping, albeit slowly. This is because of improved management techniques, some levelling out of import demand and the increased use of roll-on/roll-off ships and containers. The imports of all Gulf states can be expected to increase in the next few years as development, spending rises and industrial projects get under way. But there must be doubt as to whether by the middle of the next decade the Gulf ports as a whole will not have a serious surplus of berths.

country's understandable reaction has been to plan and commission sufficient port capacity for its foreseeable import needs. But the position is complicated by the United Arab Emirates. Here Dubai's Port Rashid—the largest in the Middle East—already handles two-thirds of the UAE's imports and a large part of the freight for Oman and Qatar. By means of the excellent regional road system, Dubai understandably has no wish to give up its entrepot role and is expanding further. But Abu Dhabi apparently intends to match Dubai's development with a massive investment in new berths, while new facilities are being built by both Sharjah and Ras al Khaimah. Adding in the new industrial ports being built by Dubai and planned by Abu Dhabi it appears that half of the 200-odd new berths under construction or projected in the Gulf. With few moves towards co-ordination of port development, either within the UAE or in the Gulf as a whole, there is an obvious danger of fierce competition between ports in a few years' time.

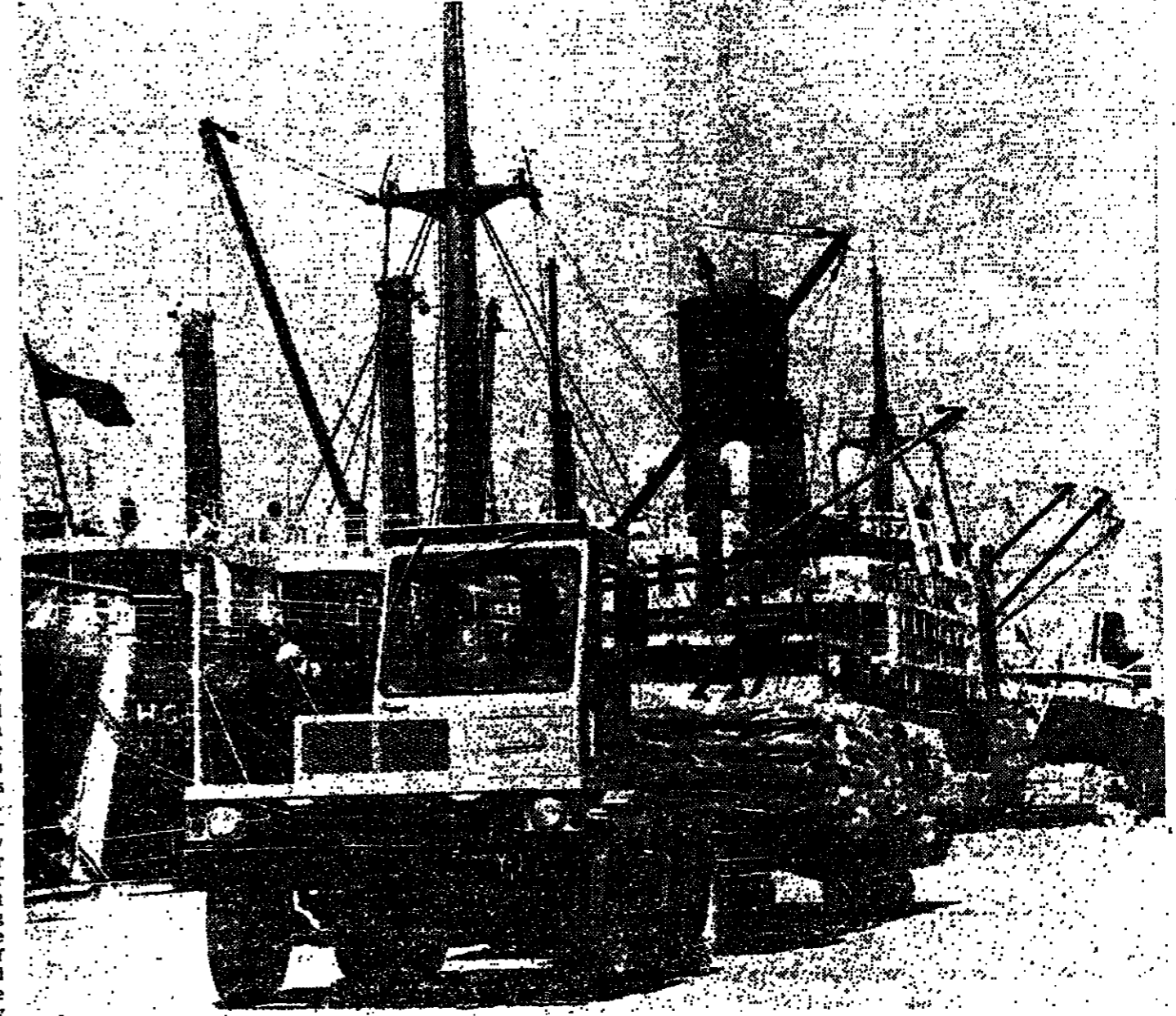
One factor increasing the possibility of surplus port capacity is that the port planners in most Gulf states appear to have underestimated the speed at which roll-on/roll-off and containerisation would be introduced into the region. Broadly speaking they have opted for large investments in general cargo berths (with some container facilities) at a time when the fast turnaround times offered by the more modern cargo handling methods threaten to make many of the new berths redundant.

The planning of future port capacity is a highly uncertain business because each country's own development plans are inevitably subject to doubt. But all the Gulf states have been deeply impressed by the long queues of ships waiting outside their ports in the past two years and by the resulting escalation in the cost of imports. Each

can be expected to increase, but further expansion is already in progress. By 1980 it should have 38 berths in service, for which contracts worth \$1.7bn. were signed last year. A \$550m. dredging contract—the largest ever—went to HAM-Hollandsche Beton Groep of the Netherlands—and Dredging International of Belgium. The civil engineering work is being carried out by a consortium headed by Philipp Holzmann of West Germany, with Archirodon of Greece and Interbeton of the Netherlands. The consulting engineers are Sir Bruce White, Wolfe Barry and Partners of the U.K.

Extension

The first four berths of a 22-berth extension project were handed over early in March by the contractors Costain and Taylor Woodrow, operating as a joint venture, with the whole extension due for completion by 1980. Two of the new berths are to have container cranes. The extension has been designed by Sir William Halcrow and Partners to allow room for an extension pier with a further 20 berths to be constructed. But a completely new port is being created only 20 km. down the coast at Jebel Ali, the site of Dubai's aluminium smelter and other industrial projects. Five deep water berths are already under construction and more are projected though the final number of berths has not been concluded. The port construction is in the hands of a joint venture of Stevin and Balfour Beatty and the consultants are Halcrows.



Handling cargo at Sharjah's Port Khalid.

Succeeded

In the past few months Saudi Arabia has succeeded in largely eliminating waiting time at its two ports, Jeddah on the Red Sea and Dammam on the Gulf. At Dammam the reduction was achieved by a combination of increased capacity and improved management: the number of berths has increased from 5 in 1973 to 13 last May and now stands at 22. Early last year a joint venture of the British concerns Scruttons and Mersey Docks and Harbour Company took over the management of the port, bringing in their own staff and dramatically increasing the throughput. Stringent measures were enforced to make merchants remove their goods quickly from the wharf.

As Saudi development expenditure increases the number of ships wishing to use Dammam

Dubai is facing increasing competition from the neighbouring Emirate of Sharjah, where the first container berths, complete with a container crane, were opened last year. A total of seven berths are planned for the first phase, with the work being carried out by Archrosi, a consortium of Greek, German and Belgian contractors. At Khor Fakkan on the Gulf of Oman two container berths are being built by Archirodon which will be able to accommodate the largest container ships afloat (37,000 d.w.t.) and will have the considerable advantage of saving ships the need to pass through the congested Straits of Hormuz. The berths are due for completion next year.

Five general cargo berths and a roll-on/roll-off berth are being built at Mina Saqr in the Emirate of Ras al Khaimah for completion by the Archicat joint venture by 1978. Abu Dhabi, the richest of the Emirates, has hitherto suffered a degree of port congestion (berthing delays are put at more than 30 days) while making use of Dubai for many of its imports. But ten new berths were opened last year bringing the port's capacity up to 16 berths, and a further 13 berths are under construction in a two-stage project, for completion by the end of the decade. In January, however, the Emirate announced that it was to build breakwaters allowing for the creation of a further 34 berths alongside the existing port at a cost of \$630m. The first phase involved a contract of \$85m to 40 days.

trial of South Korea. The consultants for both ports are Sir Alexander Gibb and Partners. Abu Dhabi is also to build a new port at Jebel Dhanna to service the new industrial area being constructed there. The project is still at the design stage with 20 or more berths planned for commercial and industrial use. Neighbouring Qatar has suffered some of the longest waiting times in the Gulf in the past year with ships waiting for up to 130 days last August and surcharges reaching 100 per cent in some circumstances. By adopting a two-shift system handling has been increased by 50 per cent since last June and capacity at Doha has now risen from four to six berths with two more under construction. Waiting time is now down to 30 days. Doha's needs were originally served by Umm Said,

45 km. down the coast, but with the development of an industrial centre there the port has been exclusively used for the fertiliser plant there, plus an oil loading facility. With a steel complex now being erected nine more berths are to be built by Penta Ocean Construction with Sir Alexander Gibb and Partners the consultants. There is also talk of building a new port at Alyah Island 15 km. north of Doha but final decisions have not been taken. Further up the Gulf, Bahrain is expanding Mina Sulman with six new berths due for completion in 1979 and the construction of a further ten under consideration. Berthing delays are about 30 days. In Kuwait (waiting time 50 days for conference ships) the construction of seven berths to add to the existing five is out to tender, while the number of berths at Shuwaikh is

being increased from 10 to 19 under a contract with Ali al Ghanem and Ali Sayegh, for which the consultants are Associated Marine Consultants of Amsterdam. The Kuwait ports handle some of the traffic destined for Iraq, but the Iraqis are also expanding their own facilities. At Umm Qasr Toa Harbour Works of Japan is constructing four berths for handling gas, steel, sulphur and other commodities, and tenders for other berths are being considered. At Maaqal port at Basra the Japanese company Penta Ocean is constructing four new concrete quays to raise capacity from 1m. tons to 4.5m. tons per year. The first container handling facilities should begin to be operational later this year. Already waiting time is nil.

James Buxton

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ARAB SHIPPING AND PORTS IV

Ambitious expansion plans for the Suez Canal

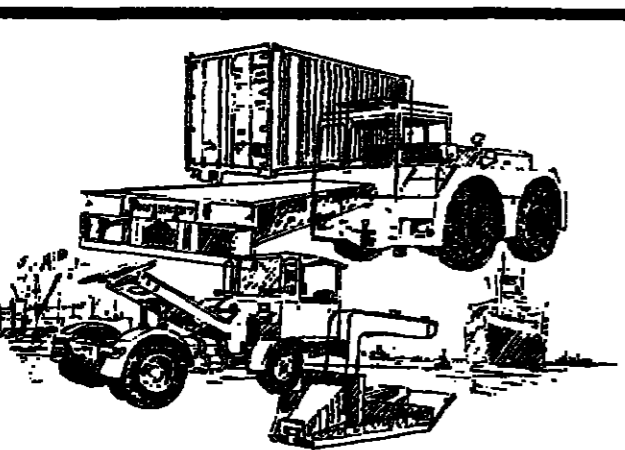


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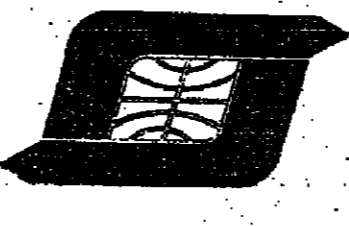
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THE SUEZ Canal is an article of faith in Egypt. It has been so since the 1858 nationalisation and the refutation of the British claim that Egyptians could not run the waterway. With the second anniversary of the reopening approaching, the faith of thousands of employees who endured eight years of closure has paid off. The waterway is the most successful enterprise in Egypt, not only grossing \$350m. a year but in some unaccountable way remaining divorced from and unaffected by the chaos which colours most sectors of the economy and most aspects of life in Egypt.

The Suez Canal Authority, with its headquarters in Ismailia functions with a confidence unusual in Egypt. The eight-story SCA building looking out on Lake Timsah bustles with the relaxed activity which could only come from a high degree of motivation among the employees. Ismailia reflects a sense of well-being, and it is interesting to note that this canal city was one of the few large towns in Egypt unaffected by the rioting of January 18-19.

Since it opened in June, 1975, more than 26,000 vessels have used the waterway, and currently more than 50 ships a month are bringing in almost \$30m. When Mr. Mashour Ahmed Mashour, Chairman of the Suez Canal Authority, fixed the toll structure two years ago he was aiming at attracting back the oil traffic which has been passing round South Africa since the late 1960s.

Economies To some extent he has succeeded, but the economies of scale in the very large and ultra-large crude carriers have totally altered the nature of oil movements from the Gulf to Western Europe. To-day more than 60 per cent of Canal traffic is dry cargo of one sort or another, while tankers, laden and in ballast, account for less than 40 per cent of the revenue. Since tanker traffic is not going to change to fit the canal, the waterway must change to suit the tankers. Two confidential studies have

just been completed by British and French groups which will confirm the estimates of the optimum expansion of the waterway both from the technical and financial points of view. According to these findings completion of widening and deepening operation to a draught of 53 feet, work for which has been underway for almost a year, should attract sufficient new traffic to double revenues. The later stage of 67 feet draught should treble current revenue levels.

Use of a computer-based model for this enormously complicated calculation confirmed what the SCA was already fairly sure of, that the waterway must go up to the full 67 feet to optimise economic potential by taking tankers up to 250,000 tons fully laden and the rest of the world's tanker fleet in ballast. The 53 feet first stage expansion is being attacked from a number of angles. Work in the north is being done on the soft mud by the Authority's own dredging fleet. The more technically difficult dredging

More attention must be paid to training

THE FUTURE development of the Arab fleet will not be hampered by either the lack of finance or the lack of cargo. But if any single factor is to slow down the establishment of a successful shipping industry in the Arab countries it could be the lack of trained manpower.

The human element is probably the most important dimension in the expansion of the Arab marine, for in the other two major areas which are vital to development—cargo and finance—the Arabs can claim justifiably to have abundant resources. Proponents of the development of Arab shipping are fond of quoting the statistic that the Arabs themselves carry less than 5 per cent of their total international trade, and they are fully aware of the terms of the United Nations Conference on Trade and Development (UNCTAD) code of conduct which would legitimately allow them a far greater share of the trade, possibly as high as 40 per cent.

Target

It is fully understood that such a target cannot be accomplished overnight and there is a growing lobby in the Arab maritime world which accepts that the real challenge which faces the embryonic industry is the recruitment of the necessary manpower and the creation of methods by which they can be properly educated and trained for a seafaring career.

It was decided more than eight years ago that the newly established Arab shipping companies should ultimately be managed and operated by Arab nations, but the process of achieving this goal is proving to be long and drawn-out and there are clearly rivalries and clashes of opinion within the Arab world as to the best way of organising the fleet without wasteful duplication.

A mission sponsored by the Inter-governmental Maritime Consultative Organisation (IMCO) and UNCTAD visited a number of Arab countries in 1970 and concluded that with

an efficient facility for training Arab manpower, all efforts for developing the Arab fleets would be fruitless. Based on their report the Arab Maritime Transport Academy was established in Alexandria in 1972 with the technical assistance of IMCO for the training of seafarers and shore-based personnel. Two more Maritime Institutes have since been established, one in Algiers with the technical assistance of IMCO and the second in Basra, Iraq, within the Iraqi Naval Training Establishment. IMCO is currently conducting a study for Arab OPEC (Organisation of Petroleum Exporting Countries) of the prospects for setting up more academies at Jeddah, Saudi Arabia and Doha/Qatar. According to Commodore G. Mookhtar, director general of the Academy in Alexandria, the training pattern set down by IMCO was "unique and far-sighted. It envisaged catering for the integrated human needs of the future Arab fleets, the Academy was planned to train seafarers as well as shore-based personnel, for the two faces of the same coin—shipping and ports."

Seafaring handled by the Academy includes deck, engine room and radio and electronic training to the highest level of competency certificates. Ratings can be trained in all specialised branches, and the Academy also offers in conjunction with UNCTAD two diplomas, in shipping with options in shipping and ports or maritime law.

Because the Arabs are acquiring some of the most sophisticated ships, including gas carriers (LNGs) and super tankers (VLCCs), the Academy's board of directors has adopted a policy of implementing up-to-date programmes to cope with modern technology. Strong relationships have been established with many international maritime organisations, and contacts have been made with colleges and institutes in advanced maritime countries in order to gain from their experience and to exchange curricula and training schemes for keeping Arab instructors abreast of current developments. The number of students attending the Academy has risen from 743 in 1972 to 1,572 in 1975-76, and this year it is expected to rise to some 1,600. In the radio and electronics department 45 cadets attend regular courses which qualify them to work as radio officers and radar and electronic navigation equipment maintenance officers on board ships. More than 370 seamen have gone through the specialised training courses at Alexandria, and last year an agreement was signed with the Japan International Co-operation Agency to extend technical assistance, and Japanese experts will help in developing new courses.

Diverse

Another problem facing the training establishments is the wide range of diverse backgrounds from which the students come to the academies. Aptitudes vary science degree after their four widely and there is considerable difficulty in implementing and education. The master's certificate is not enough. To overcome this an acceptance

Absurd

But both the SCA and the Sumered authorities have discreetly recognised that the pricing policy of each will affect the other—and a price war would be patently absurd. However, the joint commission of the two organisations has so far done little to come to grips with what will become an important issue in two or three years. There is little danger, despite the malaise of the Egyptian economy, that currency starvation will affect the development of the Suez Canal. Local budgets are guaranteed by the SCA's forceful argument to the Government that any cutback on expenditure would result in an immediate reduction in the country's best sources of hard currency earnings. Foreign currency must come from loans, but because of the creditworthiness of the waterway these should not be in short supply. It is this which is the basis of the confidence and assurance of the Suez Canal Authority as a body, and employees as individuals, who know they have the best thing going in Egypt.

While medium- and long-term expansion plans are aimed at the huge tanker market, container ships are very important in the short term. It was only after measurements were made by SCA officials over a long period of all three generations of container ship that it was discovered that third generation three-tier vessels could economically use the canal with this reduction of the surcharge. Three-tier containers alone will

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سازمان صحرای

Slow growth in tonnage

THERE HAS BEEN much talk of a very large programme of building of oil tankers already in progress in Europe about Arab shipping needs. In the past 18 months, many Middle Eastern states of the tanker market have been in no position to acquire a measure of control over the transport of oil products. Financially, their oil and oil products surpluses in the next ten years. The tanker fleet belonging to Arab states, including Saudi Arabia and the United Arab Emirates, amounts to 63 million dwt, while order-hungry vessels totalling 7.8m dwt over the next two or three years will be increased by deliveries of ten ships totalling 2.1m dwt. But according to a recent study by H.P. Drewry, 89m dwt would have to be transported 40 per cent of the Gulf States oil production in 1975 and 112m dwt will be needed for 40 per cent of estimated production

in 1980. With increases to the tanker fleet which are known to be scheduled, this leaves a shortfall in 1980 of 102m dwt. Alternatively, the Gulf States fleet in 1975 had the capacity to carry 5 per cent of crude oil production and, on present trends, it will manage 4 per cent in 1980. Drewry estimates that the cost of acquiring a fleet able to transport 40 per cent of 1980 production at more than \$11bn. Examining dry cargo shipping, Drewry estimates that the existing fleet in the Gulf could have managed no more than 6 per cent of imports and that there was, therefore, a net requirement of 8.7m dwt. If the 40 per cent was to have been reached, looking ahead to 1980, Drewry forecasts a net requirement of 10.6m dwt, which would cost around \$6bn. to acquire.

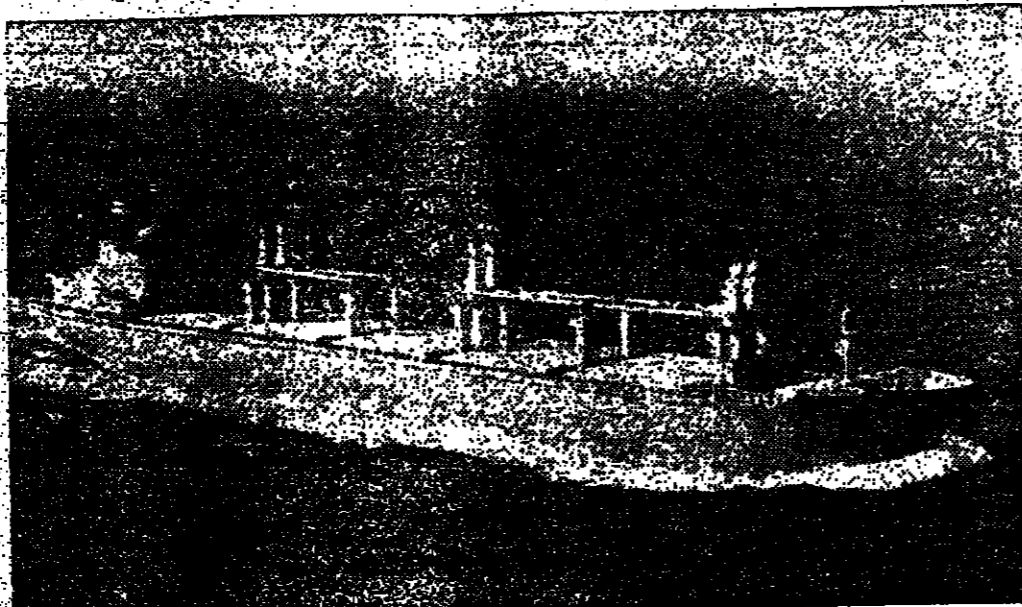
Arabs at their word—indeed, Iraq, Qatar, the United Arab Emirates and Bahrain. UASC's aim is to operate regular dry cargo services between Arab and international ports, and in pursuit of this it will almost certainly diversify into roll-on roll-off, container, bulk and the carriage of imported vehicles. Kuwait is also involved in dry cargo joint ventures with the Shipping Corporation of India, and with Iraq, Libya and Egypt it participates in the Compagnie

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Little more than 12 months ago, Arab spokesmen continued to feel the general lack of confidence in a financial market conference in Kuwait. Mr. Abdul Aziz Al-Sagar, chairman of the Kuwait Tanker Company, pronounced that the current crisis in the field of transport could be a unique opportunity for the oil-producing countries to strengthen their tanker fleet at a very good and tempting price. Certainly, the opportunity was there and is still there, but equally certainly the Arab nations as a whole have shown no inclination to grasp it. Apart from taking delivery of vessels ordered in 1973 and 1974 when shipbuilding prices were at or near their peak, the Arabs have more or less put their hands off. There has been some activity in the sale and purchase market, but not much. Brokers have reported that during the past year Algeria bought five vessels, one a 140,000 dwt oil tanker and the remainder 30,000 dwt products carriers. Saudi Arabia acquired three products carriers and two 50,000 dwt tankers.

Projections

Making these kind of projections is, of course, to take the



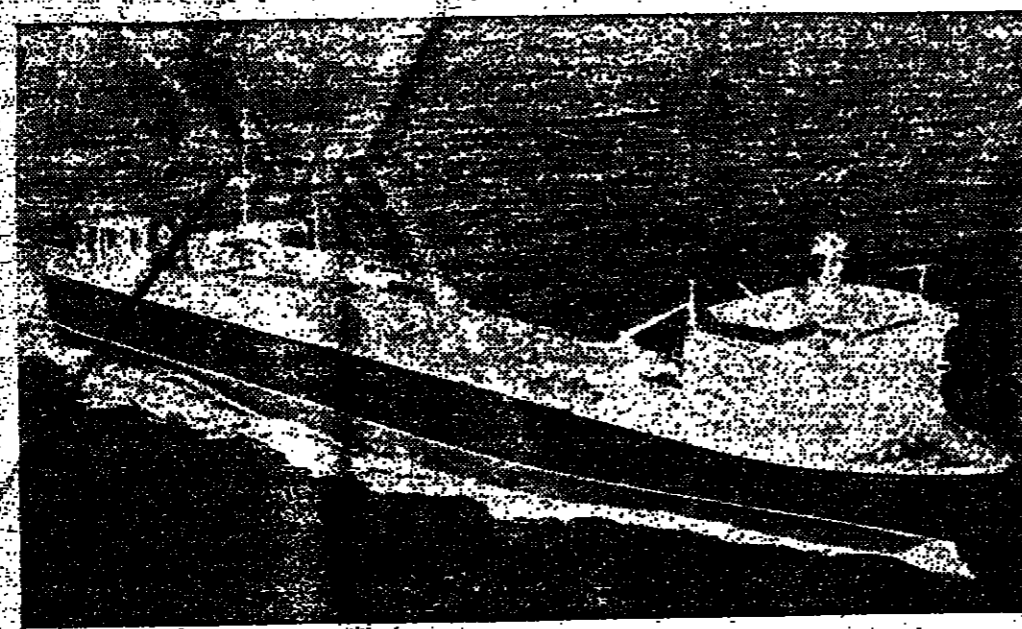
Above: A fully cellular container vessel Troll Forest, operated between Europe and the Middle East by Scandinavian Middle East Line (SCANMEL). Below: Seaspeed Arabia, a Seaspeed Ferries roll-on/roll-off vessel which operates on Japan-Middle East-U.S. routes.

Irony

Most observers agree that this inactivity is largely explained by the depressed state of tanker shipping. It is an irony which in Europe many would not wish otherwise, that many Arab states have not been able to shelter any more effectively from the tanker surplus than the hard pressed independents. This would seem to imply a deficiency in Arab policy which was to some extent reflected last year by Mr. Abdul Rahman al-Sufian, managing director of the Arab Maritime Petroleum Transport Company, a major pan-Arab joint venture, half of whose tanker fleet of 1.4m dwt was laid up in the first half of last year.

Training

Mr. Rahman is reported as complaining that his company was being stifled at birth by the oil majors. He is believed to have followed this with an appeal for at least 10 per cent of Arab oil exports to be carried by Arab flagships. Such an appeal might not have been expected to fall on deaf ears, but time has been little designing a new course in co-operation with the Maritime Academy, New York University, to provide a BSc for talented students. This will be in one of the very few areas where the very diverse input of Arab manpower, engineering, economics, and electronics, from the developed to the developing countries, Mr. Mounkhtar, on the other hand, is advocating joint ventures as the best method of developing the industry. The argument is trying to evolve giving benefit to both sides of



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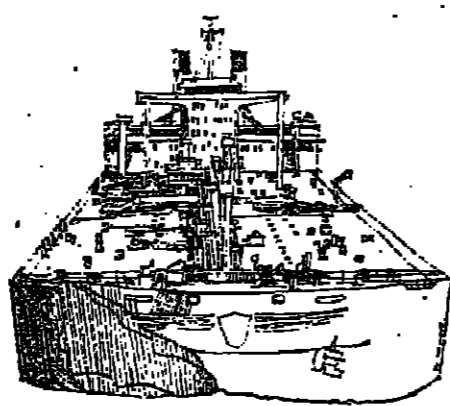
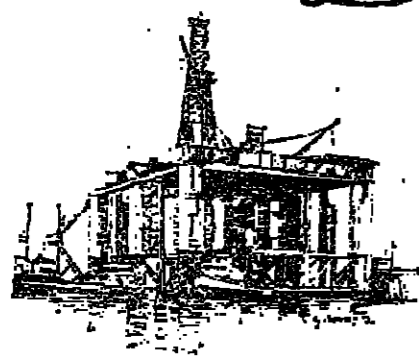
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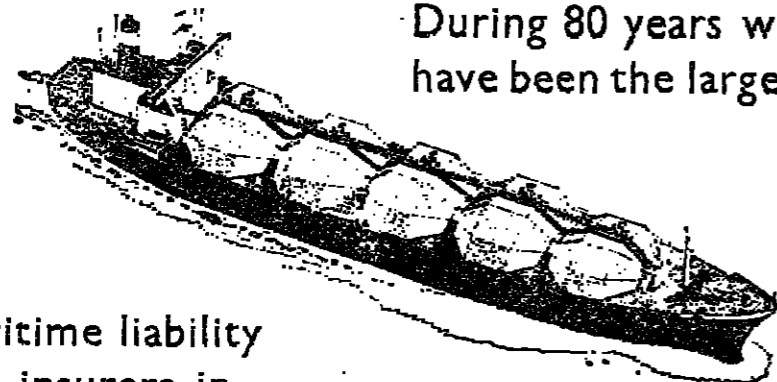
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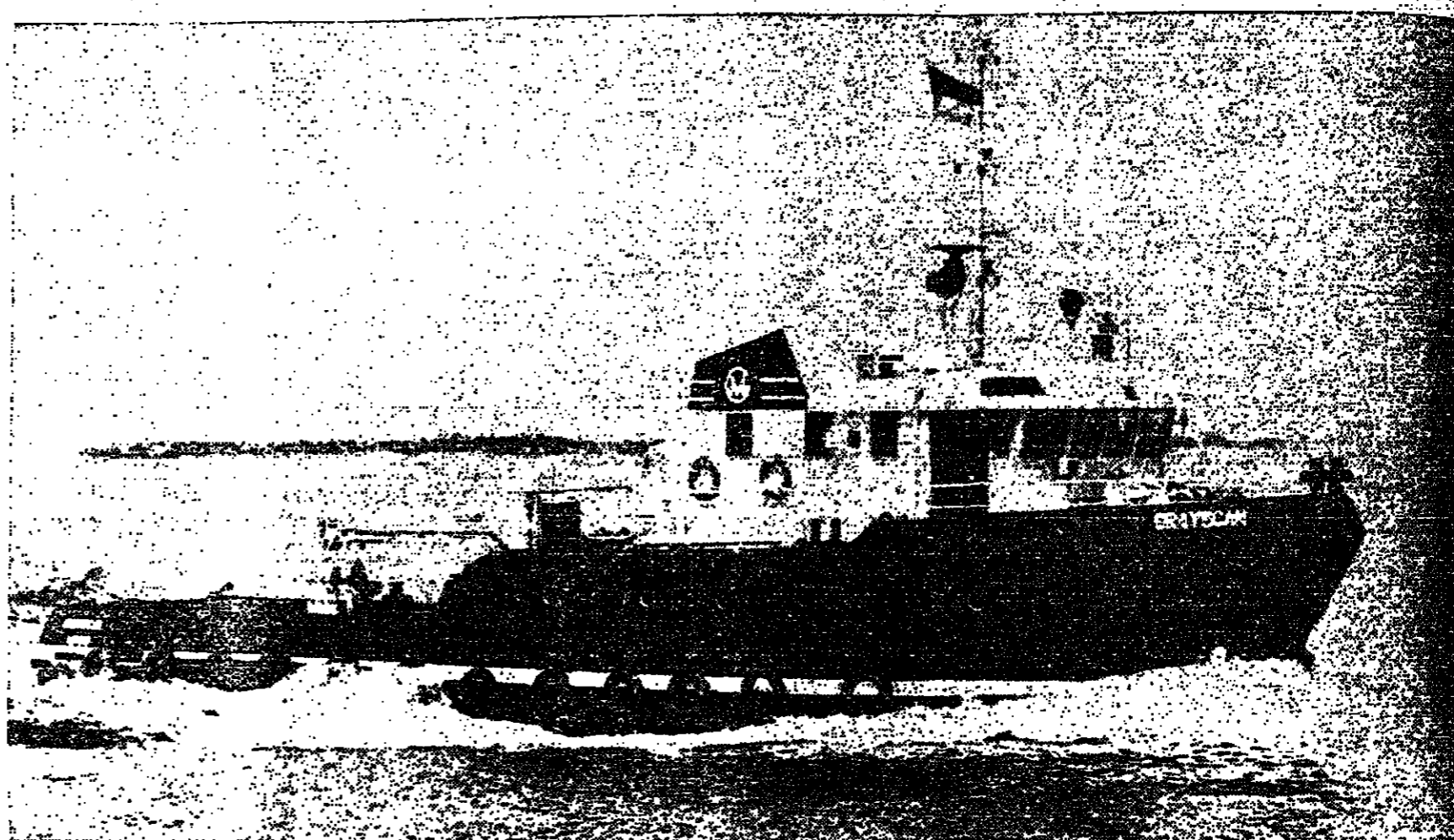
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The offshore supply vessel Grayscan which was recently acquired by Gray Mackenzie and Co. of Bahrain.

Agencies respond to greater demands

MANY YEARS before the flow of oil from the fields of the members of the Organisation of Petroleum Exporting Countries (OPEC) reached noticeable proportions, there were shipping agencies in the Red Sea and the Gulf to take care of the arrangements of vessels unloading cargo and passengers, usually for transshipment onwards to India, the Far East, Australia and New Zealand.

By the middle of the 19th century the principal agency activity in the Middle East had become inextricably linked with ocean shipping, the direct offspring of the early days attending the growth of a British India Company and the Ellerman Bucknall Lines.

Early developments in the Middle East Area were very much concerned with trading, Lloyd's agency work and the provision of storing and chandlery facilities. At the beginning of the 20th century there was a lack of ports and deepwater berths serving the Arab world, so that the only alternative was the use of sea or river transport for off-loading duties and cargo distribution.

To improve port facilities Gray Mackenzie, a member of the Inchcape Group, developed a local lighterage and craft fleet to service ocean shipping and trading in the Gulf. From such small but essential services stemmed the agency company which now handles 50 per cent of all tankers entering the Gulf, excluding those tankers bound for terminals where their own facilities are adequate.

One of the most popular services operated by Gray Mackenzie is the Grayswift Tanker Service based at Ras al Khaimah and operated from Dubai. Fast personnel launches are available round the clock to transfer crew, mail, machinery spares, provisions, bonded stores and a vessel's complete laundry requirements.

One of the features of Arab port development has been the growth in the number of deepwater berths, and as a result the Gray Mackenzie lighterage and ocean-going tug fleet (30 vessels) is being used in services to new construction projects being undertaken at a distance from the usual port facilities and for the transport of pipes and equipment for oil drilling operations.

Documents

Agency work in the modern context means much more than providing stores and arranging for berths and documents. Gray Mackenzie is used as consultant for several major port developments in the Middle East and does, in fact, provide management services at such ports as Dubai (Port Rashid) and the new port of Ras al Kaimah.

At nearly all ports in the Middle East Gray Mackenzie forms the office of the Lloyd's Agency, and the company's involvement in the area also covers ship-repairing by the wholly-owned Bahrain Slipway Company, where vessels of up to 1,000 tons are repaired and marine engineering facilities are available.

For companies like Gray Mackenzie, familiar with Arab philosophy and attitudes, the slow development of Arab national shipping interests poses no problems, and within the group's activities several companies are already part-owned by Arab interests.

A good agent anywhere makes sure that communications are a priority, and the offices of Yusuf bin Ahmed Kanoo, the Gulf agents, with headquarters at Bahrain, are linked to the world by telex and satellite radio-telephone communications. Kanoo has wide experience in the movement of cargo of all kinds, particularly complete refineries and electrical power projects. Launches based at Ras Tanura, Dammam, Bahrain and Dubai serve vessels lying offshore, and complete ship crew changes are made using the principal Arab airports.

There is always a demand for marine workshop facilities, and these are provided by an associated Kanoo company, Bahrain Ship Repairing Engineering, which supplies mobile squads for "in situ" operations. Another company, Acradite Technical Services, maintains a comprehensive repair and maintenance service for gyro compasses, radar, radio and all ship and airborne electronic equipment.

Air cargo operations require careful control if they are to be successful, and by grouping and consolidating shipments Kanoo can improve the cost effectiveness of this kind of transport. Where speed is vital Kanoo organises the utilisation of part or full-chartered cargo aircraft. The company acts as handling agents for most of the aircraft calling at Dhamran and Bahrain airports. Important spares for ships and marine machinery are quickly flown in direct from the manufacturer.

Kanoo's offices are located in Bahrain, the United Arab Emirates, Saudi Arabia and Oman (and Europe) and offer comprehensive agency and cargo handling services including travel agents, tug and barge operators and insurance.

For the Gulf Agency Company the Middle East has proved a rewarding area of operation, and GAC companies are now heavily engaged in ships' agency work, clearing and forwarding, stevedoring, road haulage, travel, marine contracting and ship servicing. Managed largely by Swedish nationals, GAC has prominent local national partners in all companies with European managers and assistant managers.

To be effective, agencies must maintain offices in all the main ports and GAC maintains offices in virtually every port in the Gulf, as well as in Lebanon, Syria, Turkey and Cyprus. The only exceptions are Qatar and Iraq, where there are State Agencies.

Time

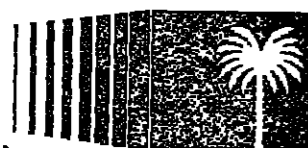
Time is usually vital to ship-owners under normal trading conditions when a good ship supply service includes crew changes and the transfer of stores and spares from ships to shore tender without deviation from course or stopping. At Dubai, GAC operates a ship service at any position along the meridian 55 degrees East. Between 24 and 48 hours before arrival along meridian 55 degrees East an estimated time of arrival is sent to Dubai via Bahrain radio, and the GAC supply craft can come alongside with the customer's vessel making about 5 to 8 knots. GAC 17-knot supply craft are 65 feet in length, with space for 49 passengers and about five tons of cargo. At no time does the supply craft fasten a line to the ship being serviced and details of leeway and relative speed between the two vessels are agreed by radio telephone.

A supply helicopter is also operated from Dubai by GAC, and this machine, a Bell-type 20611, can take up to four passengers and 50 lbs of freight or just 800 lbs of freight. This craft has an operational radius of 100 nautical miles.

Within the waters of the Arab countries marine contracting and lighterage services represent a major part of all agency operations. GAC/Iran operates two small cargo vessels, ten tugs ranging in power from 100 to 1,250 bhp, 26 flat top barges (with capacities from 300 to 3,000 tons) and 17 hatched barges with a capacity range of 250 to 500 tons.

In co-operation with a local diving company GAC offers a wide range of underwater work on vessels, including inspection, repairs, hull cleaning, salvaging, drilling, cutting and welding. The cleaning of machinery on board ship is carried out by

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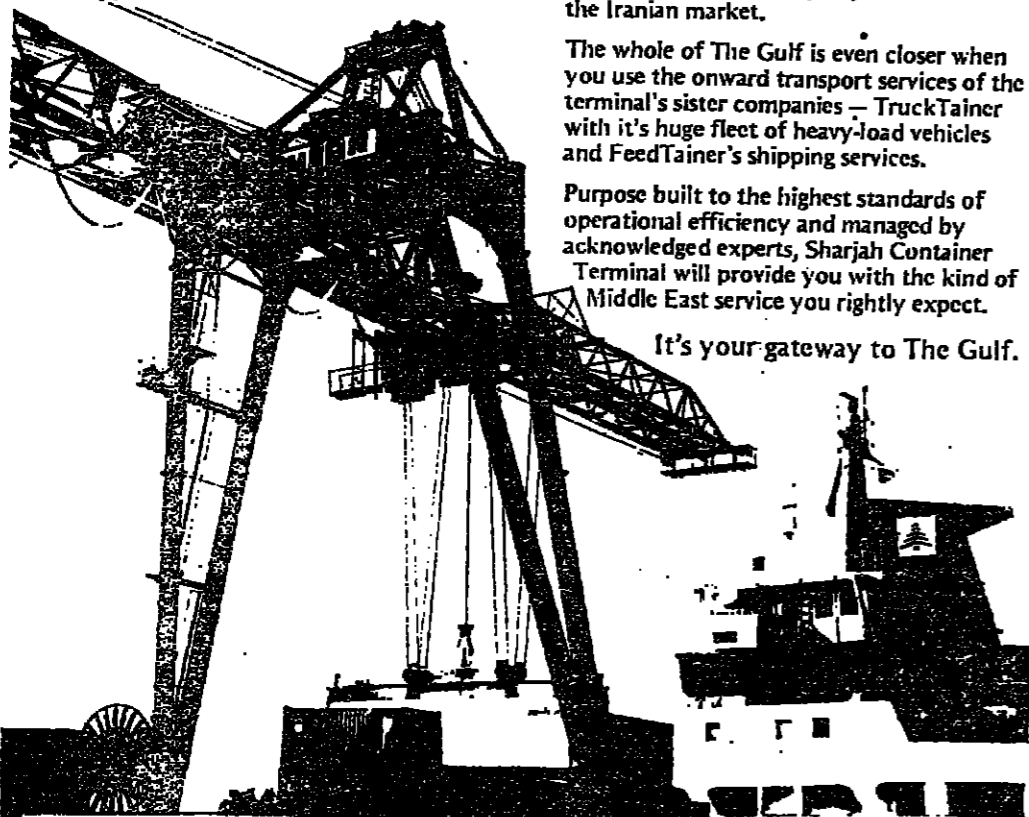
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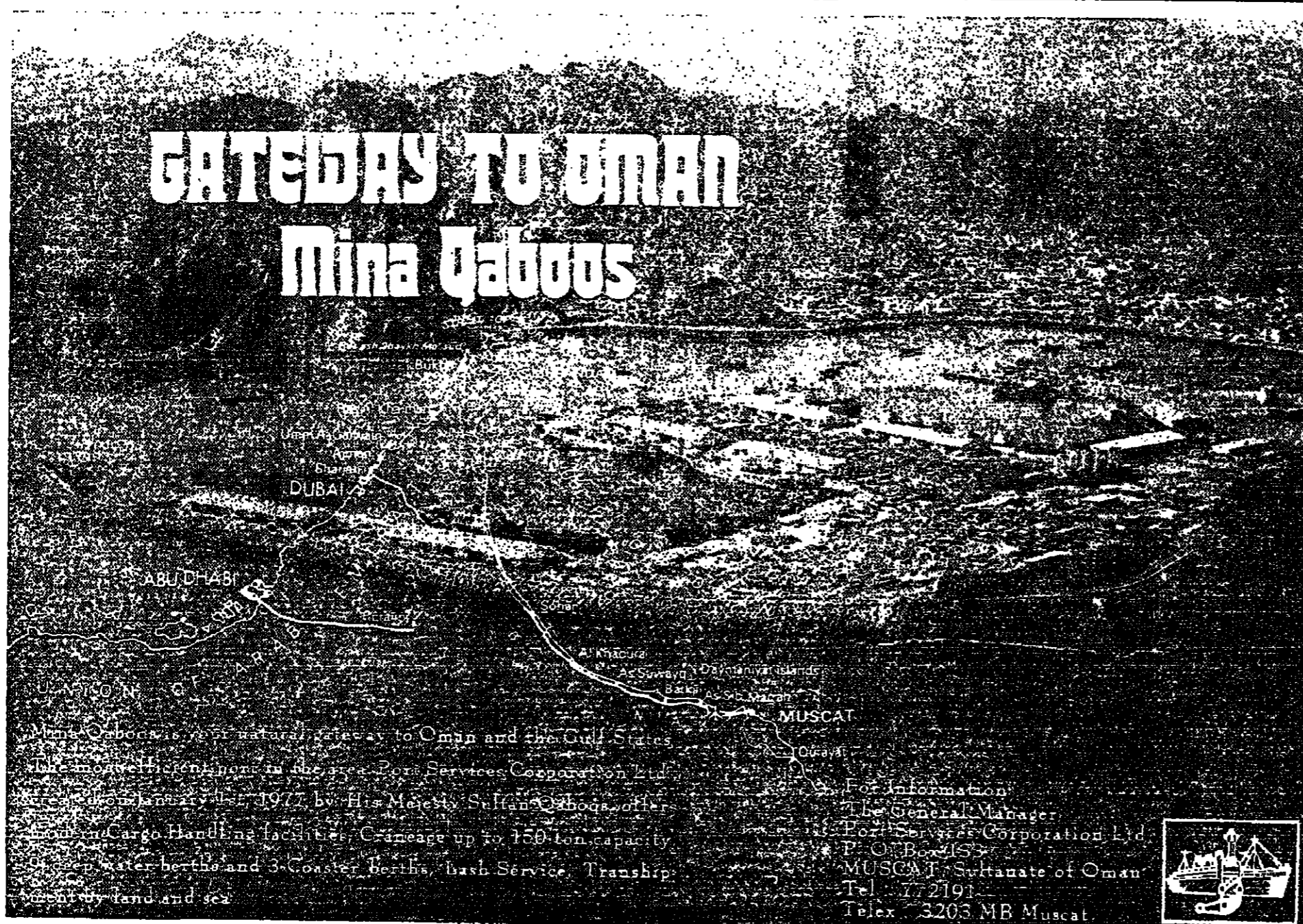
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For information:
The General Manager,
Port Services Corporation Ltd,
P O Box 219,
MUSCAT, Sultanate of Oman
Tel: 7 219
Telex: 3203 MB Muscat

W. D. Ewart
Editor, Fairplay International

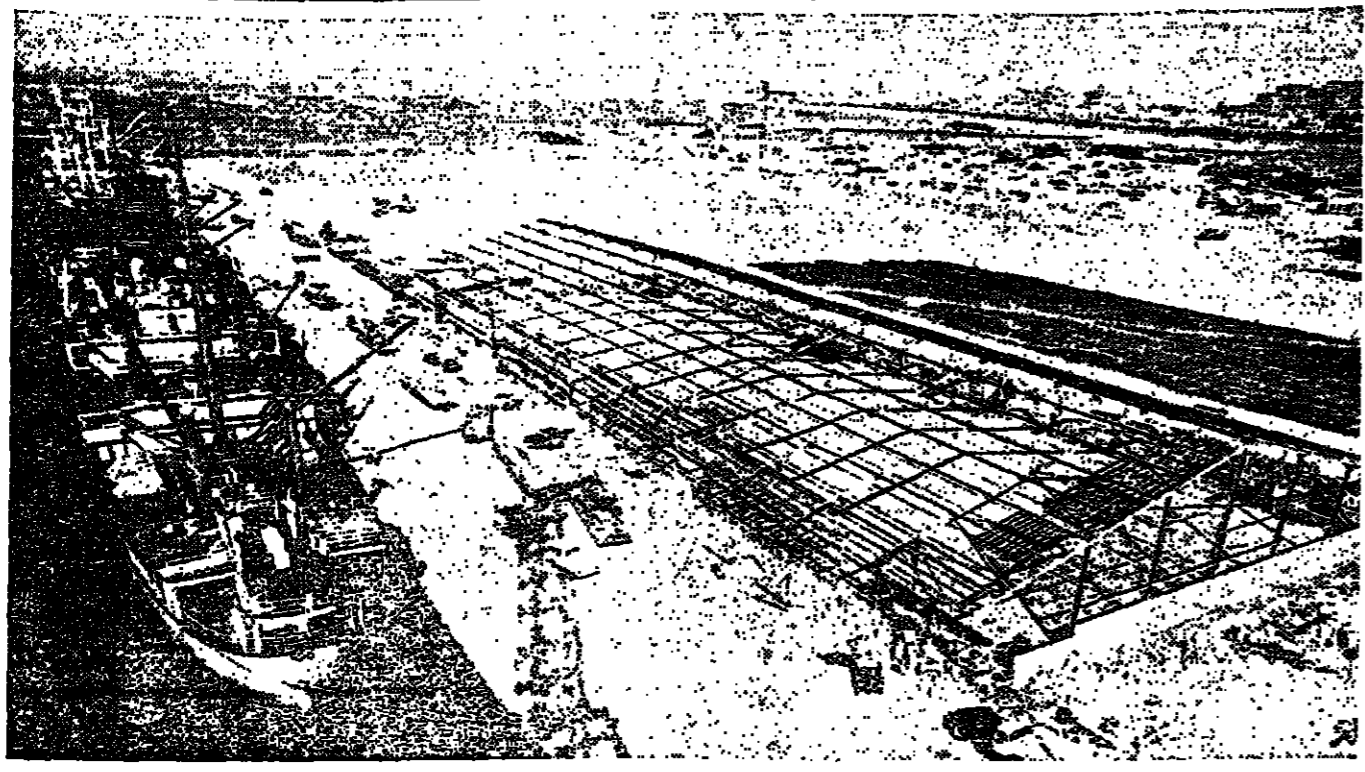
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ARAB SHIPPING AND PORTS VII



A berth at Port Khalid, Sharjah. The berth transit shed is under construction. A further 13 conventional berths are under construction or planned.

The battle to beat congestion

WHILE PORT congestion has clearly been an expensive phenomenon for the Arab countries and has substantially boosted their transport costs, there is a view that it has been of an incalculable benefit to the international shipping community whose members have sat comfortably back and watched the demurrage payments roll in.

The point was neatly summarised by Mr. Eric Williamson, chief of the Ports Section of UNCTAD, who told a London shipping conference recently that more concerted efforts would have been taken to solve the bad cases of port congestion around the world, if everybody involved really suffered from its consequences. "What about the shipowners who have been able to continue to earn money—through demurrage or extended time charters—from ships which might otherwise have had to be laid up or scrapped?" he asked.

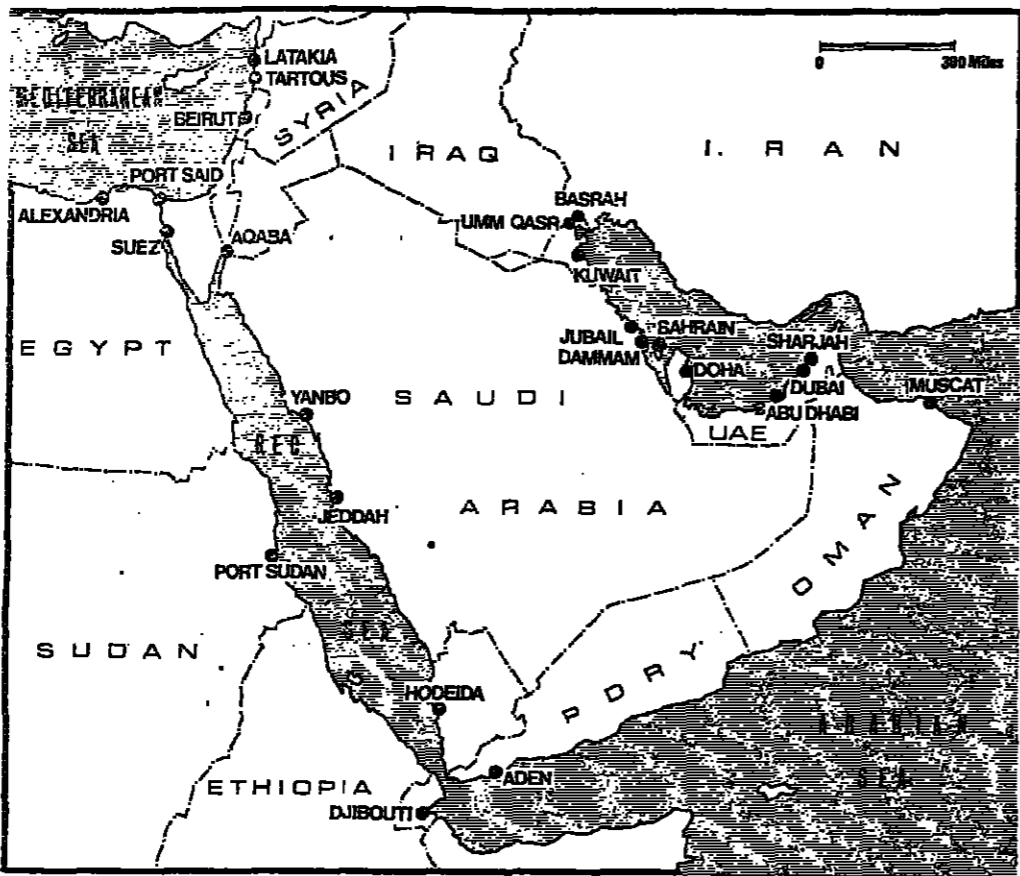
Mr. Williamson went on: "Port congestion has effectively buffered shipowners from the worst effects of the economic recession during the past two years. Shipping and forwarding agents and import/export agents who work on percentage commissions tend to earn more when freight surcharges have to be imposed. Stevedoring companies see a continuous queue of ships waiting to be discharged or loaded the possibility of higher profits, and dockworkers see a guarantee of high wages through overtime working. Finally once a port becomes really congested, delays to which ships and cargo become subject create a situation of which the unscrupulous can take considerable advantage."

Mr. Williamson was not, of course, making any specific reference to Arab ports and his argument is not a new one. Moreover, it ignores the very real contribution shipping has made to easing the congestion problem. While it is certainly true that many shipping companies have been more than happy to cash in on port congestion in the Middle East, many more responsible operators have exercised judgment and capital to produce partial solutions to the problem.

Naturally, the commercial incentive to take the investment risks has been provided by the prospects of profits to be made by the maximum possible use of vessels which can be in service for the longest possible time. Broadly, these ships have either been container or roll-on roll-off, or a mixture of the two. However, the congestion beaters have not been drawn exclusively from these categories.

Sequana Maritime, for example, has been running a very successful service from Sheerness to the Middle East based on the LASH (Lighter Aboard Ship) system. This involves a mother ship capable of carrying up to 89 fully loaded barges which are floated off at the port of destination to go alongside quays which are inaccessible to ocean-going vessels. The average discharge time for LASH barges is 10-14 days from the mother vessel's arrival.

But for the shipping analyst,



the real conceptual battle being fought in the Middle East is between the roll-on roll-off and the container ship. The argument is still raging fiercely and is being fuelled to some extent by the evident easing of congestion in such key ports as Jeddah and Dammam.

The supporters of the container ship argue that the roll-off ship has satisfied a particular need—the speedy discharge of cargo at ports which have lacked sophisticated equipment and berthing space for general cargo and container ships. But, it is argued, roll-on roll-off must give way to the superior economics of container ships. One of the major Gulf and Red Sea ports are planning container berths and associated facilities and one common user terminal has already been established at Sharjah.

Argument

The economic arguments in favour of container ships is that they utilise the available shipboard accommodation more efficiently since there are no wheeled trailers occupying valuable space. In addition, it is said that a dockside gantry crane which is shared by a lot of vessels must be inherently more economic than self-discharging systems of any kind. The protagonists of roll-on/roll-off concede that the smaller, less sophisticated vessel may not be able to compete with the containership in the long term, but they argue that the real challenge is now being mounted by the larger vessels which are taking advantage of double stacking of containers and of lift-on/lift-off techniques to maximise their use of space.

These ships are extremely versatile and in addition to wheeled vehicles and trailers can take containers, flats and loose conventional cargoes on

ship-only trailers. The three 21,700-ton ships currently being delivered to Seaspeed Ferries by Kawasaki Heavy Industries are also able to take 1,000-ton loads. Other modern vessels provide refrigerated capacity. The three Seaspeed vessels alone represent an investment of more than \$100m, and the company is understandably anxious to stress that it intends to be a permanent presence in Middle East shipping.

Seaspeed, along with other operators wanting to underline that they are not fly-by-night, has set up a dockside organisation in the shape of a stevedoring joint venture with a Saudi company. The aim is to ensure a rapid onward movement of cargoes away from the dockside and to ensure this several shipping companies are forming road haulage joint ventures with Saudi interests.

Latest to announce a "door-to-door" operational facility is the new Scandinavian Middle East Line (Scamell). This is due to start operations on June 1 and has been formed by two companies which already have well established services to the Middle East—Swedens Brostrom Shipping Company and Norway's Wilh. Wilhelmsen.

Their service is really a development of an existing joint general cargo liner operation and will be based on four large container vessels. These will be fully cellular ships capable of carrying about 1,000 20-foot containers and will sail twice a month from Gothenburg, Hamburg, Bremerhaven, Tilbury and Rotterdam. Ports of discharge in the Middle East will be Dubai Dammam and Bandar Shahpour in Iran.

In a nicely understated announcement unveiling their new venture, Scamell pointed out that "whereas sea transport to a Middle East port can to-day be arranged without problems, the discharge and oncarriage of the goods to the final destination sometimes involves shippers in unpleasant experiences." To stay competitive with other operators who are also trying to avoid "unpleasant experiences" for their shippers, Scamell have placed exclusive contracts with local hauliers to guarantee the swift onward transport of cargoes.

Pessimistic

Curiously, the rapid growth in container services is now giving rise to some pessimistic warnings from shipping experts about the implications for Middle East ports. The containerism may produce the ultimate irony. Congestion has spawned a rash of port development projects, in the Middle East which will produce a massive increase in cargo handling capacity in an unprecedentedly brief period. The larger proportion of these developments is devoted to the provision of berths to handle general cargo in break bulk. But if the trend to containers continues, developments which have taken ten years in Europe could be telescoped into a very much shorter time in the Arab world. In other words, scores of general cargo berths and transit sheds could become obsolete as soon as they are completed. This would be a tragic waste of money.

John Wyles

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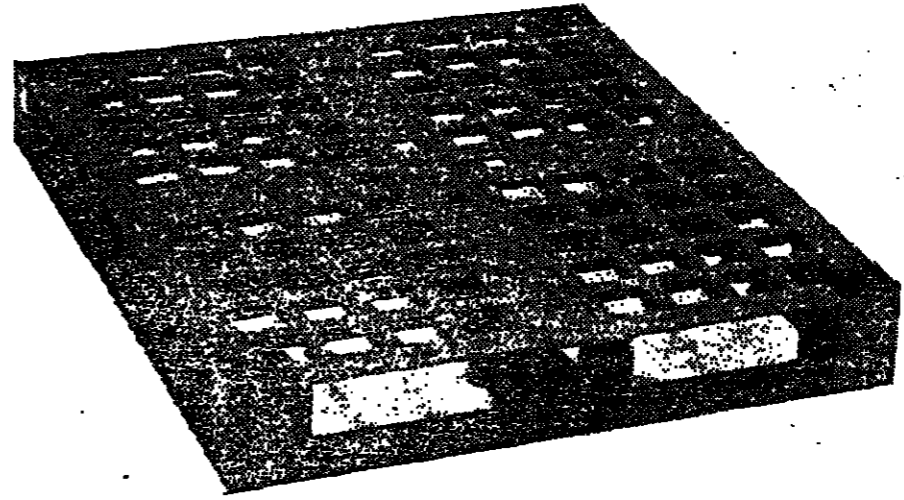
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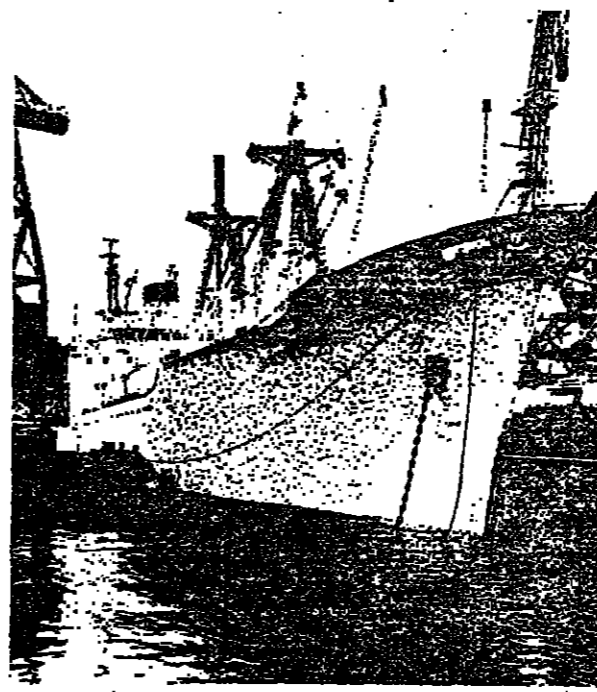
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STOCK EXCHANGE REPORT

Markets featured by late buying of high-coupon Gilts

Equities lag with index 7.8 down at day's lowest of 419.4

Account Dealing Dates

Option
First Declared Last Account
Dealings Dates Dealings Day
Mar. 14 Mar. 24 Mar. 25 Apr. 5

The improved scope after Tuesday's Budget for the downturn in interest rates to resume was again the chief factor influencing the sentiment in yesterday's stock markets where the trend in British Funds remained dominant. Quotations of the Funds were doing little more ahead of the announcement of the reduction in Minimum Lending Rate than consolidating the previous day's speculative gains. In the afternoon, however, quotations of non-quoted issues started to move ahead again but the real impetus was imparted in the late trade when rumours developed that a 100 per cent Government premium to be in the office which took prices of the high-coupon stocks up 11 better. Short-dated issues were overvalued and closed with losses to 7 1/2 on profit-taking, having recovered from the MLR fall and seeing little short-term incentive in view of the extent of the reduction. The Government Securities Index therefore closed four-year high by 0.17 to 70.86.

There was still no real buying enthusiasm for equities where the leaders went easier from the start and generally ended at the day's lowest with closing losses having the 30-share index 7.8 down at 419.4. Attempted rallies were half-hearted in the absence of any follow-through buying and profit-taking was particularly noticeable in shares which had been improving since late on Tuesday because of the Budget content. Second-line issues also attracted profit-taking, but numerous firm spots came up after recent price advances, while there was further speculative demand for situation stocks. The trend to cheaper money helped Hire Purchase and Property shares to move in the general trend, but gains were usually slight. Overall, falls in FT-quoted equities outnumbered rises by 81-63, while the FT-Actuaries three-man index was all about 1 per cent down.

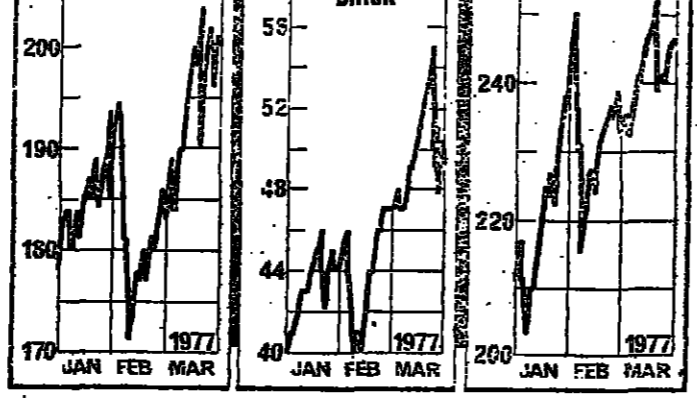
Gilts dramatic

Gilt-edged had an eventful day which began with a Consolidation of Wednesday's sharp gains, a further good rise on the unexpected reduction in Minimum Lending Rate, a subsequent reaction ahead of the account dealing announcement of a new medium term

issue and a final flourish among higher-coupon stocks in reply to the possibility of pending changes in the issue of conventional forms of Government Securities. The result was contrasting trends at each end of the market with long high-coupon issues up as much as a further 14 points and the shorts down a maximum of 7/16 as profit-taking followed the announcement of the 5500m. of Treasury 9 1/2 per cent, 1982, which is to be issued at 97 but with only 15 to be paid on application. The scramble for high-coupon stocks late reflected the Government's decision to take statutory powers which, after consultation with various bodies, would allow the issue of a variable coupon stock linked to Treasury bill rate. To further the effect, the full point in MLR was an attempt by the authorities to stabilise interest rate and thus permit them to reactive to-day the market-related formula.

EMI dull

EMI, which is currently bidding for Development Securities, declining 7 to 302p. Other leading Electricals to lose ground included Plessey, 2 off at 69p, and GEC, 1 cheaper at 175p. Secondary issues



supported some firm features. Farnell Electronics, a neglected market of late, revived with a jump of 13 to 113p, while Crellon, 2 1/2, and Cohen Bros, 3 1/2, put on 3 1/2 points. Leading Stores took an easier appearance but the falls were fairly modest. British Home reacted 4 to 128p and Marks and Spencer 3 to 115p, while GUS A reacted 2 1/2 to 102p. House of Fraser reacted a similar advance to 92p after the previous day's good rise in response to the preliminary figures. Elsewhere, the almost doubled profits pushed Austin Reed up to 61p before a close of 59p for a rise of 7 on balance. Combined English improved a penny to 58 following the results and Greenfield Hillits hardened a trifle to 25 after the chairman's encouraging statement at the annual meeting. Church encountered further support at 91p, up 3, while Hepworth B also met with buyers and advanced 3 to 46p. Among Mail Orders, Empire put on 4 to 112p.

Leading Engineering gave ground in line with the general trend and Tube Investments, at 400p, down 12, surrendered most of the previous day's rise which followed the preliminary figures. GKN drifted lower to close 6 down at 35p and John Brown shed 2 to 187p. In contrast, APF responded to the good results with a rise of 25 to 365p. The preliminary figures, overpriced rights issue and dividend forecast left Spirax Sarco 8 higher at a fresh peak of 400p. Teacmi met further profit-taking in the afternoon as 83p before renewed speculative demand took the price up to a close of 69 1/2, up 4 1/2 on balance. Desoutter advanced 11 to 161p on the increased dividend and profits, while Ash and Ley also reflected satisfaction with the results with a rise to 124p. Following news of the counter-bid worth 24 1/2p cash per share from

review. Berkeley Hambro rose to 8p before closing a net 4 higher at 87p; the company has an 8 per cent stake in the unquoted Swire Properties which is to seek a listing within the next three months. Consideration of the market's first-half recovery put Samuel a further penny dearer at 57p, while London Ship were in demand at 49p, up 2; the latter's 61 per cent convertible, 1984, jumped 5 points to 27s. Of the leaders, Land Securities eased 1 to 174p, but MEPC hardened that much to 87p, after 88p.

Taking their cue from surrounding sections, the Oil majors drifted lower rather than trading. Slightly firmer U.S. advances overnight made no impression on British Petroleum which reacted 10 to 794p, while Shell gave up 4 at 480p and Royal Dutch 4 at 444p, the last-named despite the higher investment dollar premium. Attention into some speculative profit-taking and shed 6 to 105p and, for a similar reason, Berry Wiggins reacted 2 to 38p.

Ocean Wilsons came to the fore in Overseas Traders, rising 10 to 187p on revived hopes that the company will be freed from dividend controls on account of its overseas operation. James Finlay rose 6 to 202p, but S. and W. Berford reacted 4 to 155p and Harrison and Crossfield retreated 12 to 537p.

Income shares were well to the fore in Investment Trusts and closed with widespread modest gains following business prompted by a fresh reappraisal of the yields. M. and G. Second hardened 2 to 39p, while the numerous gains of 2 included Dualvest, 56p, Clamnet Islands, 36p, and Fandair, 31p. Elsewhere, shares were generally quiet and little changed. Camellia Investments were exceptionally 3 better at 165p while North British Hill put on 8 to a high of 115p. Gains of 1 1/2 were common at Balfour Beatty, 112p and 117p respectively. In contrast, Whitbread dropped 10 more to a 1977 low of 60p following persistent Irish selling.

Shippings were back in the doldrums. P. & O. Deferred fell 3 to 124p, while Furness Withby, 20p, and Reardon Smith A, 50p, both closed 2 cheaper. Against the trend, small buyback left J. Plender 1 1/2, and Gold Fields Properties, 14p, and Homfray, 58p, shed 2 1/2 apiece.

Anglo-Transvaal Industrial fell 4 to 88p in South African Industries where Abercorn Investments, 112p, and Gold Fields Properties, 14p, both finished 3 easier. Bata Matang Rubber, 9 higher

FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

HIGHS AND LOWS table showing price ranges for various stocks.

S.E. ACTIVITY table showing activity in different sectors.

MONTHLY AVERAGES OF STOCK INDICES table showing average values for different months.

RISES AND FALLS YESTERDAY table showing daily price changes for various stocks.

ENTERTAINMENT GUIDE

Opera and Ballet, Theatres, and Cinemas sections listing various performances and venues.

RECENT ISSUES

Table listing recent issues of various companies and their prices.

Table listing active stocks and their market performance.

Table listing rights offers and their details.

Table listing active stocks with denominations and closing prices.

Options Traded section detailing calls and puts for various stocks.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections.

Table showing Fixed Interest rates and yields for various instruments.

Table showing New Highs and Lows for 1977 for various stocks.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and their performance metrics, including Henderson Administration, Priced Unit Trust, and others.

Table listing offshore and overseas funds, including Kemp-Ge Management Jersey Ltd, Save & Prosper International, and others.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

INSURANCE, PROPERTY, BONDS

Large table listing insurance, property, and bond products from various providers like Abbey Life Assurance, General Portfolio Life, etc.

FOOD PRICE MOVEMENTS

Table showing price movements for various food items like Bacon, Butter, Cheese, Eggs, etc.

INSURANCE BASE RATES advertisement with contact information for Cannon Assurance.

Vertical text on the far left edge of the page, likely from an adjacent page or a sidebar.

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FT SHARE INFORMATION SERVICE

INDUSTRIALS - Continued

BRITISH FUNDS

Table of British Funds with columns for High, Low, Stock, Price, Div, and Yield. Includes sub-sections for 'Shorts' (lives up to five years) and 'Five to Fifteen Years'.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase companies with columns for High, Low, Stock, Price, Div, and Yield.

INTERNATIONAL BANK

Table of International Bank shares with columns for High, Low, Stock, Price, Div, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for High, Low, Stock, Price, Div, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for High, Low, Stock, Price, Div, and Yield.

LOANS (Other)

Table of Other Loans with columns for High, Low, Stock, Price, Div, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for High, Low, Stock, Price, Div, and Yield.

AMERICANS

Table of American shares with columns for High, Low, Stock, Price, Div, and Yield.

CANADIANS

Table of Canadian shares with columns for High, Low, Stock, Price, Div, and Yield.

BUILDING INDUSTRY - Continued

Table of Building Industry shares with columns for High, Low, Stock, Price, Div, and Yield.

DRAPERY AND STORES - Continued

Table of Drapery and Stores shares with columns for High, Low, Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering shares with columns for High, Low, Stock, Price, Div, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio shares with columns for High, Low, Stock, Price, Div, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics shares with columns for High, Low, Stock, Price, Div, and Yield.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools shares with columns for High, Low, Stock, Price, Div, and Yield.

HIRE PURCHASE, etc.

Table of Hire Purchase and other services with columns for High, Low, Stock, Price, Div, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. shares with columns for High, Low, Stock, Price, Div, and Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres, and TV shares with columns for High, Low, Stock, Price, Div, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers shares with columns for High, Low, Stock, Price, Div, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores shares with columns for High, Low, Stock, Price, Div, and Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial shares with columns for High, Low, Stock, Price, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber, and Roads shares with columns for High, Low, Stock, Price, Div, and Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial shares with columns for High, Low, Stock, Price, Div, and Yield.

AMERICANS

Table of American shares with columns for High, Low, Stock, Price, Div, and Yield.

INDUSTRIALS (Misc.)

Table of Miscellaneous Industrial shares with columns for High, Low, Stock, Price, Div, and Yield.

Conversion factor 0.7079 (0.7086)

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INDUSTRIALS-Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of stocks in the motors and aircraft trades sector, including various car and aircraft manufacturers.

PROPERTY-Continued

Table of real estate and property-related stocks, including companies like British Land and Property Finance.

TRUSTS-Continued

Table of various trust funds and investment vehicles, including Life Assurance and General Trusts.

TRUSTS-Continued

Continuation of the trusts table, listing more investment funds and their performance metrics.

NOMURA advertisement: Japan's leader in international securities and investment. Includes contact information for London and New York offices.

CENTRAL AFRICAN table: List of stocks from the Central African region, including companies like Anglo African and Anglo American.

AUSTRALIAN table: List of Australian stocks, including various mining and industrial companies.

TINS table: List of tin-related stocks and commodities.

COPPER table: List of copper-related stocks and commodities.

MISCELLANEOUS table: A collection of various other stocks and commodities.

RUBBERS AND SISALS table: List of stocks related to rubber and sisal industries.

TEAS table: List of tea-related stocks and commodities.

Sri Lanka table: List of stocks from Sri Lanka.

Africa table: List of African stocks.

MINES table: List of mining stocks.

CENTRAL AFRICAN table: Another list of Central African stocks.

EASTERN AFRICA table: List of stocks from Eastern Africa.

FAR WEST table: List of stocks from the Far West region.

FINANCE table: List of financial stocks and instruments.

DIAMOND AND PLATINUM table: List of diamond and platinum-related stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including titles like The Times and The Daily Telegraph.

PAPER, PRINTING, ADVERTISING

Table of stocks in the paper, printing, and advertising sectors.

TEXTILES

Table of textile industry stocks.

PROPERTY

Continuation of the property stocks table.

TOBACCO

Table of tobacco industry stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

INDIA AND BANGLADESH

Table of stocks from India and Bangladesh.

Sri Lanka

Table of stocks from Sri Lanka.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL MARKETS

Table of regional market data, including stock prices and exchange rates from various international markets.

OPTIONS

Table of options contracts and call rates.

Handwritten text at the bottom of the page: "الاداءات"

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FINANCIAL TIMES

Friday April 1 1977

BELL'S
SCOTCH WHISKY

Babcock wins £70m. Saudi contract

BY RICHARD JOHNS

THE SAUDI Arabian Government has awarded Ames Crosta Babcock a turnkey contract worth £70m. for the construction of a drinking-water treatment plant to serve Riyadh. The Lancashire-based company, a member of the water engineering group of the Babcock Wilcox group, believes that it is the highest value contract ever to be given for such a project. The water drawn from wells, 37 miles from the Saudi capital, will be processed at the rate of 14.3m. gallons a day by a U.S. supplied reverse osmosis technology. Ames Crosta Babcock reckon the undertaking to be one of the biggest to use this method of purification. Under it, the salty water is pumped through a membrane which then filters out the salt. The British company will utilise a spirally-wound cellulose acetate membrane marketed by Ajax International Corporation of Santa Barbara, California. In which it has a 25 per cent. shareholding. It is manufactured by Fluid Systems of San Diego, a subsidiary of Universal Oil Products. Most of the rest of the equipment including other water treatment plant and diesel generators, is expected to come from Britain. There will be a local content in the civil engineering but Ames Crosta Babcock is not prepared to say what proportion of the contract value it will amount to.

Management

Sub-contracts have yet to be concluded for the provision of cranes, cooling towers, diesel generators, civil engineering, and mechanical and electrical work. The project does not include the pumping of the water from wells (which have yet to be drilled) or distribution to Riyadh. Implementation is expected to take two-and-a-half years. Included in the price of the contract is the provision of technical management and also certain inputs for the plant during the first five years of operation. The fixed-price contract, which makes no allowance for escalation was won in competition with three other groups—Sogeh of Lebanon and Environique of the U.S., VIT of Finland and Degremont of France; and Inox of the U.S. It is not known what price the Saudi Ministry of Agriculture and Water estimated for the project.

The contract is also the first major one in the construction field to be awarded to a western or Japanese company since early in February when the Saudi Government rejected what it described as "inflated bids" for power generation and sewage projects.

Mobutu meets mediator

By Our Foreign Staff

BRIGADIER JOSEPH GARBA, Nigeria's Foreign Minister, yesterday met Zaire's President Mobutu in the first stage of his attempt to mediate between Zaire and Angola over the invasion of southern Zaire, which is allegedly backed by Angola. The Nigerian move is believed to have the backing of the majority of African states, as well as of Washington, where it was first announced last week. It is understood Brig. Garba will talk to-day or to-morrow with Angolan President Agostinho Neto in Luanda. The invasion of Zaire by former Katangan gendarmes started on March 10. Yesterday the Zaire Government admitted for the first time that the key railtown of Mutshahza was captured by the invaders last Saturday.

There was no confirmation, however, of reports that the Katangan force had infiltrated Kolwezi, where the state-owned company Gemcontex, produces more than a third of Zaire's copper.

On Wednesday diplomatic sources in Brussels reported that the Katangans were about 15 miles from Kolwezi, which was being defended by Zaire troops. It was announced in Kinshasa yesterday that a new commander had been sent to take over the para-military gendarmerie in Shaba province. There were also reports of troop reinforcements to the area. President Mobutu has responded to a report in the French newspaper Le Monde which hinted that he would soon take a trip abroad during which he would hand in his resignation. In an interview with the national news agency in Kinshasa he said: "Chief of state or simple citizen, my place is in the Republic of Zaire and I will never live a single day in foreign exile."

Mysterious challenge to Mobutu Page 32

Nimrod development to go ahead

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. is to go ahead with full development of the Hawker Siddeley Nimrod flying radar-station for Airborne Early Warning (AEW) duties, and is pulling out of the NATO plan for the rival Boeing E-3A Airborne Warning and Control System (AWACS).

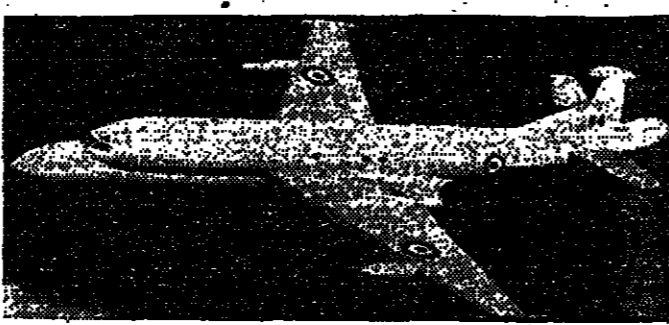
The decision, announced by Mr. Fred Mulley, Secretary for Defence, yesterday, is due to the inability of other NATO partners to agree on sharing the cost of the \$2.4bn. (£1.8bn.) AWACS plan. The U.K. would have been prepared to adopt AWACS with full NATO agreement, but in the absence of any agreement the U.K. cannot wait any longer before going ahead with the Nimrod programme.

Mr. Mulley made it clear at last week's NATO Defence Ministers' meeting in Brussels that he was "reserving the U.K. Government's position."

NATO regret NATO headquarters in Brussels last night officially expressed great regret at the U.K. decision. But the British move has not necessarily killed the AWACS project.

Nimrod would provide "valuable early warning for the northern sea approaches," it was said, but only AWACS could meet the low altitude threat over central Europe. Mr. Mulley has been under intense political and industrial pressure for some time to adopt Nimrod, because of the greater number of jobs it would provide for the U.K. aerospace industry. It is expected that the Nimrod will create close to 7,000 jobs over the next few years, at Hawker Siddeley Aviation's Woodford, Manchester, and Marconi-Elliott's Rochester, Kent, factories, and at Rolls-Royce, which makes the Spey engines for Nimrod.

It has been claimed that the long-term cost of Nimrod will be no more expensive than the U.K.'s expected \$450m. share of



The Nimrod airborne early warning aircraft.

the AWACS programme, while preserving a substantial element of the U.K. aerospace industry's design, development and manufacturing capability.

The amount spent on Nimrod so far is estimated at over £22m., with £6m. spent on the Hawker Siddeley Nimrod airframe and £16m. on the Marconi-Elliott radars. Under the manufacturing programme envisaged, 11 Nimrod surpluses (or likely to become surplus) to the RAF's anti-submarine warfare programme will be converted to the flying radar.

These aircraft will be used to replace the RAF's ageing Shackleton aircraft for Airborne Early Warning duties—detecting the approach of enemy aircraft and missiles—in the U.K. Air Defence Region which also covers a large part of the Eastern Atlantic.

They will also be used to fulfil the existing responsibilities to NATO, covering the western coasts of Europe from the North Cape of Norway to Gibraltar, and perhaps also in the Mediterranean.

Work on the programme is already under way at Hawker Siddeley's and Marconi-Elliott's Rochester, Kent, factories, and a Comet aircraft, which is due to start test flights soon.

The Nimrod aircraft will be ready for RAF service from 1981. It is about the same time that the AWACS would have been available.

It is also claimed by the U.K. that Nimrod will be capable of being used in conjunction with any of the U.S. Air Force's own AWACS aircraft that might now be stationed in Western Europe. Mr. Mulley made it clear that it was open to the other members of NATO to adopt AWACS, if they could agree on financing. He indicated that in such a situation the U.K. would try to ensure that the Nimrod was capable of working alongside the AWACS to achieve maximum military effectiveness.

Next step

Mr. Mulley said the next major step would be for the Ministry of Defence to discuss contractual arrangements with Hawker Siddeley and Marconi-Elliott Aviation, and until these were settled it was not possible to give precise figures for costs and employment.

But he made it clear that many other companies would benefit from the U.K. decision over the next five to 10 years.

He did not believe that the decision would have adverse effects upon other Anglo-U.S. defence arrangements under discussion, such as the pending Marine Corps procurement of the advanced AV-8B Harrier jump-jet.

He felt the U.S. recognised the difficulties the NATO members had experienced in agreeing on finance for the AWACS.

Parliament Page 20

Herbert Morris Board backs surprise bid by Hawker

BY KEITH LEWIS

HAWKER SIDDELEY has entered the struggle to gain control of crane manufacturers Herbert Morris with a surprise takeover bid worth £8.3m.

The offer—245p a share in cash—is the blessing of the Morris Board and comes with 205p already on the table from Babcock and Wilcox.

It has been known for some time that two other parties were interested in Morris, but Hawker is, apparently, a totally new contender. No previous approach was made by Hawker to Babcock, which holds a key 40 per cent. stake in Morris.

The Babcock Board, which admitted yesterday it having been taken by surprise, is now considering what to do. The

indications are that Babcock will contest Hawker's offer. The Hawker bid has the approval of the Morris workers, who, along with the Board, have been unanimous in their opposition to Babcock. Union hostility towards the takeover is a factor in the decision to refer the Babcock offer to the Monopolies Commission. Hawker has stated that no redundancies would result from the absorption.

The terms of the offer include a share alternative—46 Hawker for every 100 Herbert Morris—which, at yesterday's prices, values each share at 222p. Preference shareholders are being offered 30p cash.

Accompanying the offer is a 52.8p. Babcock were up lower profit forecast from Herbert at 51p.

Morris of £3.1m. for 1976-77, compared with £2.2m. in the previous year and £1.1m. in 1974-75. A revaluation of assets has thrown up a surplus over book value of some £3m., which raises asset value to over 280p a share.

Precise reasons for approving the bid from Hawker, which has interests adjoining Morris's at Loughborough, will be sent out with the formal offer document in the week after Easter. Hawker is being advised by merchant bankers S. G. Warburg.

The Morris share price has been anticipating a new bid for values each share at 222p. Preference shareholders are being offered 30p cash. Hawker shares ended 9p down at 528p. Babcock were up lower profit forecast from Herbert at 51p.

Alfred Herbert makes profit

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ALFRED HERBERT, the tool group which was rescued by a £5m. injection of Government aid in 1975, is making profits.

Last year, Herbert made a profit of £1.46m. before interest and exceptional charges, compared with a £5.7m. loss for the previous 14 months.

The spectacular revival under a new management came after five consecutive years of losses which totalled £25m.

Mr. John Buckley, who took over as chairman in 1975, said Herbert will remain in reasonable health. He said last night the outlook is one of confidence in the long term.

The company was concerned, however, about continuing low level of orders for machine tools. But it made a profit in the last quarter of last year and in the first three months of this year.

"The outlook, given even a modest improvement in order intake, should result in a moderate, profitable year," added Mr. Buckley.

Herbert is now a National Enterprise Board subsidiary and it seems to have been the only machine tool business to take advantage of the NEB's machine tool stockpiling scheme.

Some £5m. was made available to Herbert on commercial terms, but with interest payments deferred by up to two years, and £3m. of this facility

has been used so far. Mr. Buckley insisted that, in the context of Herbert's £48.4m. turnover last year, "this is not too much."

The stockpiling scheme had been crucial to Herbert at a time of severe recession in the machine tool industry, said Mr. Buckley.

The order intake rate was improving but the decision of British Leyland's car division to delay its major investment programme had been a blow to Herbert, as it had to other U.K. machine tool groups.

Mr. Buckley said that the number of Herbert's employees was "not significantly below" the 1975 total of 6,600.

Results Page 27

Liberals in petrol duty talks

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT'S hopes of securing the higher petrol duty imposed in the Budget now depend on intensive talks launched yesterday to dissuade the Liberals from opposing the increase in the Commons on Monday.

There is a great deal of brinkmanship in evidence, but Ministers insist that the Budget resolution, which increases petrol duty by 5p a gallon, and raises an extra £380m. in revenue, will be put to the Commons as planned.

After talks yesterday between Mr. Joel Barnett, Chief Secretary to the Treasury, and Mr. John Pardoe, the Liberal economic spokesman, it appeared that little progress had been made, and there is every prospect that negotiations will continue over the weekend and into Monday.

The Liberals appear determined to stick out for some concession from the Government which will enable them to show that they have come to the aid of the motorist.

"Unless we get an offer which

They believe that the Liberals are desperately anxious to underline their continuing independence of the Government and a decision to oppose an unpopular tax was taken to improve the Liberal vote in the Stechford election yesterday.

There were indications yesterday that the Liberals had suggested a differential petrol tax between rural and urban areas, but this was hastily dropped when a party split developed.

Mr. Cyril Smith, MP for Rochdale commented: "If Mr. Pardoe thinks I am prepared to vote for the people of Rochdale paying 5p a gallon more for petrol than the people of North Cornwall, he's got another thing coming."

If the Budget resolution is defeated—one minority group, the United Ulster Unionists, will not decide tactics until Monday—petrol will have to revert to its pre-Budget price within a matter of days. Treasury officials are still exploring the complex question of whether claims for refunds on petrol at the higher price would have to be met.

Treasury man joins Guinness Mahon

By Peter Riddell, Economics Correspondent

ANOTHER top Treasury official is to move into the private sector, the second man to take the step in the past month.

Sir Derek Mitchell, second permanent secretary in charge of overseas finance, is to join the Board of Guinness Mahon, a merchant bank on the banking side of the Guinness Peat Group. This is one of several appointments associated with the expansion of the bank announced yesterday; the list includes Lord Goodman who is to be a consultant.

The departure of Sir Derek follows the move by Mr. Alan Lord, the second permanent secretary in charge of domestic industrial and economic policy, who is joining Dunlop. It was also announced last week that Mr. David Walker, an assistant secretary at the Treasury, is to join the Bank of England.

The combination of these moves in such a short period is bound to lead to questions about the Treasury's ability to attract and retain senior officials after a period of strong criticism of the department.

Moreover, one of the other four second permanent secretaries, Sir Bryan Hopkin, is to leave the Treasury to work on a part-time basis after being persuaded not to retire last autumn.

The moves will mean another reshuffle at the top in the Treasury, although no successor to Sir Derek is likely to be named until later this month. Mr. Lawrence Airey has already been appointed to take over from Mr. Lord.

Criticism

Sir Derek has been strongly criticised during the last few months from within Whitehall—especially at the political level—over the Treasury's handling of sterling and the talks with the International Monetary Fund.

There is apparently no difference of opinion over policy and Sir Derek, who is 55, had been considering leaving the Civil Service for some time after a career of 20 years. An unusual feature is that he will not be able to take up his new post for six months, until October 1. This reflects the advice of a Standing Advisory Committee to the Prime Minister chaired by Lord Diamond and compares with the normal gap for a senior official of three months between leaving the Civil Service and joining the private sector, which has applied in the case of Mr. Lord.

Sir Derek has been asked to stand on until May to work on the preparations for various international meetings, including the summit of world leaders in early May.

Sir Derek's particular role on the Guinness Mahon Board, where he will be a full-time executive, has not been decided.

The general intention is to expand the bank's activities in the U.K. and abroad after a relatively quiet period. The Board members to the Board are Mr. Alfred Singer, who will work part-time and retain his present posts in the Post Office pension fund and the Equity Bank, and Mr. Graham Starforth, Bill, previously a partner in Roddy and Davidson, the Singapore solicitors.

Mr. David Ewart, a director of the bank since 1971, has now become a vice-chairman. Mr. George Sney has been appointed a consultant for foreign exchange and currency matters. Men and Matters, Page 22

Continued from Page 1 Lending rate

high of 70.98. And the new partly-paid stock issued last week gained further to show a premium of 3½ over the 215 paid up.

The new issue announced yesterday again follows the pattern. The stock is £900m. of Exchange 91 per cent. dated 1982, putting it just outside the short range. It is being issued at 97 per cent. to yield 9.54 per cent. flat and 9.99 per cent. to redemption. But only £15 is payable on application next Wednesday.

The final £37 on May 15 and the final £37 on July 4. This has the effect of spreading the payments into the next financial year and avoiding too sharp a depressing impact on the monetary aggregates in the current period.

By announcing the issue yesterday rather than to-day—would be more normal—the Bank has also made it possible for dealers in the stock to start before the Easter weekend instead of waiting until the following week.

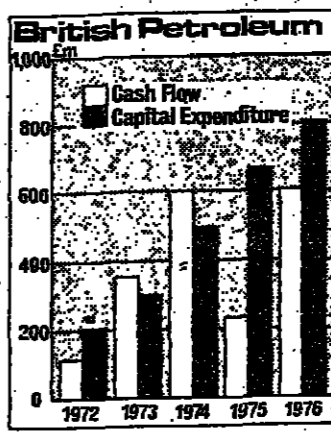
The official willingness to see lower rates has been helped by the continued strength of sterling this week. Yesterday markets were quieter, with the pound losing 5 points to \$1.72.

The Bank reinforced its move on MLR with a clear signal to the money market that it did not want money rates to fall further to-morrow.

THE LEX COLUMN

Floating with the market tide

Index fell 7.8 to 419.4



In a flurry of activity yesterday the monetary authorities accepted the market's judgment by cutting Minimum Lending Rate a point to 9½ per cent., more or less tied up the funding programme of the first few months of the next financial year by launching another partly paid gilt-edged stock (this time a short-term), and then announced that preliminary steps are being taken towards the introduction of the floating rate bond which has been debated for so long.

A late surge in prices of high coupon longs last night on the view that they could acquire some scarcity value, seems to be misconceived. The variable rate stock will simply be an addition to the Government Broker's range, to be sold at times of uncertainty over interest rates. In the near future—the stock could appear at any time after dealing arrangements have been cleared with the Stock Exchange in the next couple of weeks—it is likely to generate little buying interest. This is the right time to introduce the bond, however, rather than to bring it in as what would inevitably appear as a panic measure in some future crisis.

Matters like the exact relationship of the coupon to Treasury bill rates and the maturity, which could be something in the short/medium range, have still to be decided. There is also the question of whether large amounts would be available for switching out of existing gilts: it would be an ideal stock for building societies, for example, and the law will be changed so that they can hold it. The path has already been trodden, of course, by GEC whose Floating Rate Notes have moved up from an initial 97 to 101.

Having taken these measures the authorities no longer have to be so concerned about the possibility of interest rates bottoming out earlier than they had planned. They may not be as keen to hold up rates artificially as they have been doing recently. But the stock market faces calls of £1.3bn. on partly-paid gilts in the next few months and a possible BP offer as well, which could take quite some digesting.

BP Introducing the BP annual report yesterday the chairman, Mr. David Steel, made clear the

group's eagerness to assist the Government in reducing its holding. BP's preferred solution would be for the 17 per cent. stake in question to be widely dispersed in the U.S. and the U.K. It seems likely that BP would be willing to help the issue along with a profits forecast, penciling in a net income figure of perhaps £400m. for the current year against the disappointing £180m. of 1976. The intriguing point is whether the Government might be tempted to bend its own rules and allow BP more dividend flexibility to whet the market's appetite. If it does, another oil company over on the South Bank could have something to say.

Meantime the full accounts indicate that the only modest recovery of net income last year gave a thoroughly misleading picture of the group's performance. In fact there was a very large rise in cash flow, taking into account U.K. tax paid (£20m.) rather than provided (£197m.). This year the Forties Field will come through strongly, with Alaska to follow in 1978—output there is expected to begin this July. But losses in European oil marketing seem set to continue, an unpleasant subject almost ignored, and completely unquantified, in the accounts.

Lucas Industries Following a strongly accelerating trend through 1976-77, Lucas Industries' profits have risen from £21.0m. to £34.7m. pre-tax in the half-year to January. Vehicle equipment sales have been especially strong

on the continent, (a fifth of turnover) where volume growth in brakes and fuel injection systems has been running at well over 20 per cent. Lucas claims to have made further inroads into the German market, and the growth of the diesel engine market in France—where it supplies both Citroen and Peugeot—is having a big impact.

The profits improvement has been even more marked in the U.K. than overseas, with considerably higher returns from the reorganised electrical business, and a good performance on the brakes side with volume gains running at about 4 per cent. The group has also benefited from smooth production runs, and a 29 per cent. rise in exports. Aircraft equipment is the one bleak area, reflecting lower sales for the Royal Aircraft Establishment.

Overall profits of £75m. of £80m. pre-tax are now in view for last year, which would take the p/e down to around 6; the yield is 5 per cent. Further ahead the first phase of the big expansion in diesel equipment will be completed by the end of this year, and the U.S. market has yet to be tackled; Lucas is currently thinking in terms of green field investments.

Cadbury Schweppes Cadbury Schweppes has emerged from 1976 in slightly better shape than looked like at the interim stage. Canadian apart, the overseas loss-makers have been contained, while home both sales volume and market shares rose modestly. The upshot is a rise in pre-tax profits of £8.2m. to £31.5m. excluding disposals, while earnings per share are just about square after the higher share charge and the diluting effect of 1975's rights issue.

Thanks to loss elimination in Canada (worth maybe £20m. pre-tax) and the possibility of lower tax charge, Cadbury is hopeful about earnings progress in 1977. But working capital demands are rising under the impact of cocoa prices, and total spending this year is going up by around two-fifths to £400m. End-December stocks were fifth or so higher; and net interest charges rose from £3.5m. to £5.5m. over the two halves of 1976. The shares yield a comfortably covered 9½ per cent. at 45½p, but the p/e is less attractive at 10.

Weather

U.K. TODAY
BRIGHT SPELLS. Rain at times. Later cold. London, S.E., Cent. S. and S.W. England, E. Anglia, E. Midlands, Channel Is. Rather cloudy, showers. Wind S.W. fresh. Max. 9C (48F). E. and N.E. England, Borders, Edinburgh, Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetlands. Bright intervals. Wind S.W. strong. Max. 8C (46F). W. Midlands, Wales, N.W. and Cent. N. England, Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland. Cloudy, showers. Wind S.W., strong. Max. 9C (48F). Outlook: Showers. Sunny intervals. Snow on N. hills.

BUSINESS CENTRES

City	Monday	Tuesday
Athens	26.9	27.0
Bombay	28.0	28.1
Buenos Aires	28.1	28.2
Cairo	28.2	28.3
Hong Kong	28.3	28.4
London	28.4	28.5
Lyons	28.5	28.6
Mumbai	28.6	28.7
New York	28.7	28.8
Osaka	28.8	28.9
Paris	28.9	29.0
Shanghai	29.0	29.1
Singapore	29.1	29.2
Tokyo	29.2	29.3
Yokohama	29.3	29.4

HOLIDAY CENTRES

City	Monday	Tuesday
Algeria	29.4	29.5
Amman	29.5	29.6
Bahia	29.6	29.7
Bombay	29.7	29.8
Buenos Aires	29.8	29.9
Cairo	29.9	30.0
Hong Kong	30.0	30.1
London	30.1	30.2
Lyons	30.2	30.3
Mumbai	30.3	30.4
New York	30.4	30.5
Osaka	30.5	30.6
Paris	30.6	30.7
Shanghai	30.7	30.8
Singapore	30.8	30.9
Tokyo	30.9	31.0
Yokohama	31.0	31.1

HOLIDAY CENTRES

City	Monday	Tuesday
Algeria	31.1	31.2
Amman	31.2	31.3
Bahia	31.3	31.4
Bombay	31.4	31.5
Buenos Aires	31.5	31.6
Cairo	31.6	31.7
Hong Kong	31.7	31.8
London	31.8	31.9
Lyons	31.9	32.0
Mumbai	32.0	32.1
New York	32.1	32.2
Osaka	32.2	32.3
Paris	32.3	32.4
Shanghai	32.4	32.5
Singapore	32.5	32.6
Tokyo	32.6	32.7
Yokohama	32.7	32.8

Snow reports, Page 2

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...the next step

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